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ANDEAN PACT MEETS, EXPANDS BUSINESSMEN'S ROLE

PY270249 Buenos Aires LATIN in Spanish 0051 GMT 26 Jan 83

[By Juan Javier Zeballos]

[Text] Santa Cruz, Bolivia, 25 Jan (LATIN-REUTER) -- The Cartagena Agreement Commission, top political organization of the Andean Pact, decided today to allow greater participation of private businessmen in the decisionmaking process on subregional integration, sources of the organization stated.

The decision was made this afternoon during the first meeting behind closed doors held by this organization with the Cartagena Agreement Board, the technical organization of the Andean Pact. They stated that an agreement was reached to create a commission made up of businessmen and political representatives of the pact to study the levels and form of participation of enterprises.

Private entrepremeurs from Bolivia, Colombia, Ecuador and Venezuela proposed between yesterday and today their participation in the decisionmaking process of the Andean Pact, as a way to reactivate integration.

According to Ecuadorean Integration Minister Orlando Alcivar, chairman of the commission, not only the reorganization of the Andean Pact and the participation of enterprises are necessary to save the subregional integration process. In a press conference, Alcivar stated that this meeting must yield positive results aimed at eliminating effectively and immediately the restrictions adopted by pact member countries.

He stated that trade sources must be encouraged and that the restrictions which provoked repeated complaints by the private businessmen during the first 2 days of the meeting must be eliminated. Alcivar added that lately the threats to the existence of the Andean Pact have increased, but that although he believed that it was sick, he did not think that it was in danger of dying.

He warned that the pact has lost credibility due to the failure of several countries to stick to agreements, but that although the situation is worrying it can still be cured because we are not dealing with an irreversible cancer. He explained that among the causes of the crisis of the Andean Pact is that caused by an unjust international order and the world economic crisis.

While the prices of products from industrialized countries increase continuously, the prices of raw materials produced by the developing countries fluctuate and deteriorate very often, he added.

Colombia, Venezuela in Disagreement

PY272054 La Paz Cadena Panamericana in Spanish 1130 GMT 27 Jan 83

[Text] The (25th) meeting of plenipotentiary representatives of the Andean Pact is being held in Santa Cruz.

Disagreement over some issues have reportedly arisen between two of the Andean Pact's member countries -- Colombia and Venezuela -- in the past few hours.

A report from the news agency EFE, datelined Santa Cruz, states that the disagreement between Colombia and Venezuela, regarding the Caracas government's noncompliance with the lifting of tariff restrictions, forced the meeting to postpone the study of this subject.

The Andean Pact has been meeting since Monday to find a solution to the stagnation in which the organization is immersed. Although the meetings are being held behind closed doors, EFE learned from reliable sources that one of the most difficult subjects of the Andean Pact crisis, which is the tariff restrictions imposed by Venezuela on 150 products from its partners, could not be resolved.

After several hours of discussion, the meeting decided to postpone reviewing the tariff issue until next Friday in order to prevent the negotiations from being stalemated. The disagreement between Colombia and Venezuela derived from the fact that Colombia was the most affected by the Venezuelan decision adopted some months ago. Venezuela's decision is one more act of noncompliance witnessed within the Andean Pact.

According to statements made by Venezuelan businessmen during the first round of sessions, Venezuela maintains that the mechanisms for lifting the tariff restrictions should be reviewed and industrial projects should be guaranteed before Venezuela lifts the tariff restrictions to promote trade. According to the Employers Association of Venezuela, Venezuela sees no benefit in the Andean Pact merely becoming a free trade zone. At the same time, Venezuela's greatest interest lies in the Andean Pact's industrial programs, which assign important quotas to various Venezuelan sectors. However, these industrial programs have not yet been implemented.

In the commerical aspect, the balance of trade is unfavorable for Venezuela because Venezuela buys far more than it sells to its Andean partners. On the other hand, the Venezuelan market is very important for Colombian businessmen, especially since the end of last year when Colombia began to place many of its products on the Venezuelan market. A Colombian delegation which visited Caracas this month, obtained the promise from the Venezuelan Government that it would review its protectionist measures.

The EFE report states that the Cartagena Agreement Board has proposed restructuring the organization in view of the crisis in which it is immersed. The aim of the meeting is to try to find the best solution to this crisis. The Cartagena Agreement Board has submitted a document to the Andean Pact's commission in which it proposes four measures aimed at resolving the problems of (?lack of credibility) and of noncompliance that the organization has been experiencing.

The board's document and those submitted by the representatives of the five members countries of the Andean Pact -- Bolivia, Colombia, Ecuador, Peru and Venezuela -- are the basis for the decisions that the commission has [words indistinct] to seek [words indistinct] to the organization. The Cartagena Agreement makes an analysis of the Andean crisis in the document especially drawn up for the commission's meeting, which began in Santa Cruz de la Sierra on Monday. The document notes that many difficulties are precluding the possibility of concluding the plan to lift tariff restrictions on trade [words indistinct] between Colombia and Venezuela.

The document adds that other countries such as Ecuador and Bolivia, which are entitled to preferential treatment because they are less developed than the other countries, have not yet announced when they will begin to lift their restrictions. The Cartagena Agreement Board finally notes that joint industrial production projects are not being implemented in the fields of car manufacturing, steel production, petrochemical products and the light metal industry.

UK TURNING GEORGIAS INTO 'GIANT REPAIR SHOP'

PY271926 Paris AFP in Spanish 1613 GMT 27 Jan 83

[Text] Buenos Aires, 27 Jan (AFP) -- Reliable sources claimed here today that the British are turning the Georgia Islands into a giant repair shop for planes and ships.

Official spokesmen questioned by AFP have indicated that they are unable to publicly confirm this report but admitted that, in fact, there are indications that this could be happening.

The experts have said that the British, besieged by their problems, need to set up an operational base that would be closer to the Malvinas Islands than Ascension, which is in the Atlantic Ocean halfway between Africa and America.

Furthermore, neither Brazil, nor Uruguay nor Chile have accepted so far, the British request for permission to set up a refuelling base on their soil.

MULTIPARTY PROTESTS ARREST OF INTRANSIGENTS

PY271738 Buenos Aires DYN in Spanish 1234 GMT 27 Jan 83

[Excerpt] San Juan, 27 Jan (DYN) -- The Multiparty Group and the Intransigent Party of San Juan have voiced their repudiation of the arrest of three Intransigent Party leaders. The leaders were arrested while painting political slogans.

In a note sent to Interior Minister Llamil Reston the Multiparty Group has reported that the three persons arrested were "placed in common cells together with common prisoners, thus confirming that the provincial government -- a partner of the current process -- does not hesitate to deprive the citizenry of their freedom of expression by resorting to intimidating actions."

The members of the Intransigent Party, whom the police arrested while they were painting a wall in downtown San Juan yesterday morning at 0200, are: Hector Cevinelli, Alfredo Russo and Hugo Calibar.

The note of the Intransigent Party stated that "this very wall was used before by another party to paint even larger slogans but, since this party was born to the process and acted as its accomplice, it seems that it has the approval of the police forces which once again have become an antinational and antipopular stronghold."

The communique of the Intransigent Party made it clear that the slogans painted before its own belonged to Adm Eduardo Emilio Massera's Party for Social Democracy.

'SERIOUS' SUPPLY SHORTAGE CONCERNS ARMED FORCES

PY270236 Paris AFP in Spanish 2243 GMT 26 Jan 83

[By Andres Soliz Rada]

[Excerpt] La Paz, 26 Jan (AFP) -- The Bolivian Armed Forces have begun to express concern over the meager resources they have at hand for the purchase of ammunition, provisions and spare parts. Part of this concern leaked out to the press when it was learned that the Military Air Transport [TAM] planes, which render commercial services on different routes throughout the country, might suspend their flights due to the lack of spare parts and equipment.

An officer, who asked not to be identified, said that the situation is so serious that many army trucks had to stop their activities for lack of grease and lubricants, and that soldiers have to carry out their firing range practice only with the click of the trigger due to the shortage of ammunition. The problems have become more serious since the coup of 17 July 1980 headed by Gen Luis Garcia Meza when the United States radically cut its cooperation with the country, which included the cessation of the so-called "Military Assistance Program (MAP)" [given in English] which prevented such problems in previous years.

NARCOTICS LAW OF 1976 RESTORED WITH AMENDMENTS

PY270220 La Paz Radio Fides in Spanish 2330 GMT 26 Jan 83

[Excerpt] Today's cabinet meeting approved a supreme decree restoring the narcotics law enacted in 1976, but with some amendments. These amendments are aimed at bringing the law up to date with Bolivia's situation. Interior Minister Mario Roncal Antezana reported on the decree's approval at the end of the second cabinet meeting held thus far this year.

Interior Minister Roncal Antezana stated that the decree regulates the activities of the National Council for the Struggle Against Drug Trafficking, whose regulations were incoherent and out of keeping with the Bolivian situation. The decree also authorizes the council to exercise control over air mail service planes and other aircraft through regulating the sale of fuels which are needed [words indistinct] for illegal drug trafficking.

At the same time, the decree creates a commission with the participation of the ministries responsible for this area. This commission is to submit a draft law on the struggle against drug trafficking for consideration of the legislative branch within a term of 90 days. Asked about the drug traffickers who were arrested a few days ago, Minister Roncal Antezana stated that these persons are being investigated and that they will be put at the disposal of the courts within 30 days, which is the term prescribed by the laws.

FOREIGN MINISTRY DENIES REPORT ON CUBAN TEACHERS

PY280059 La Paz Radio Fides in Spanish 2330 GMT 27 Jan 83

[Text] The press office of the Foreign Relations Ministry has issued a communique denying a statement made by Mr (Ernesto Delaced) -- published by the U.S. paper DIARIO DE LAS AMERICAS -- that the Bolivian Government has allowed 130 Cuban teachers to enter Bolivian territory. The communique states that such a deceitful and tendentious statement is totally baseless.

BRAZILIAN AIR FORCE TRAINING WITH ARGENTINES

PY271413 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jan 83 p 10

[By special correspondents Fernando Barros and Assis Moreira]

[Excerpts] Punta Arenas, Chile -- Although the Brazilian and Argentine Air Forces have been carrying out joint training exercises in the Antarctic since last year, this was disclosed only recently by an officer of the Brazilian Air Force (FAB). The agreement signed by the two countries provides for the training of Brazilian pilots to land on ice, while Argentine officers stationed in the Amazonian region are learning how to land on short dirt runways.

In the Antarctic, with its natural runways, it is much more important to be able to stop the aircraft by reversing the engines than by using the brakes, since in the latter case the aircraft will skid on the ice. It requires much experience in a pilot to land in the Antarctic; therefore, the Argentine authorities demand at least 1,000 flight hours in a C130 aircraft before starting this type of training.

Capt Morvan Muller, a member of the Brazilian group working with the Argentine Air Force, is one of the few Brazilian pilots who meets all the requirements for this type of training.

PDS SUPPORTS FIGUEREDO AS SUCCESSION DIRECTOR

PY270210 Rio de Janeiro O GLOBO in Portuguese 22 Jan 83 p 4 .

[Excerpt] Brasilia -- The National Directorate of the Social Democratic Party yesterday unanimously approved a motion of support for President Joao Figueiredo, authorizing him to coordinate the presidential succession process "at the time he deems it advisable."

The motion was made at the beginning of the meeting on behalf of the party Directorate, and it was made after party President Jose Sarney consulted with the party's most prominent leaders.

DEMOCRATIC LABOR PARTY ELECTS NEW PRESIDENT

PY270213 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Jan 83 p 4

[Excerpt] Rio de Janeiro -- Former federal deputy Doutel da Andrade will be the new president of the PDT [Democratic Labor Party], replacing Leonel Brizola who must leave that post in compliance with the law to assume the governorship of the State of Rio de Janeiro. The official announcement was made yesterday by Leonel Brizola who read, during a press conference, the final document of the meeting of that party's National Directorate, which was held last week in the municipality of Mendes, Rio de Janeiro State.

Under the reorganization of the PDT Executive Board, Senator Saturino Braga is charged with the taks of mobilizing the party on a national scale. Alceu Colares and Neiva Moreira will be first and second vice presidents; Deputy Mateus Schmidt will be secretary general; Nilos Fadul and Jose Colagrossi will be first and second secretaries; and Cibils Vians, Mila Cauduro, Eloi Inge and Husebio Rocha will be board members.

BRIZOLA, LULA DISCUSS LABOR PARTIES UNITING

PY232323 Rio de Janeiro LATIN AMERICA DAILY POST in English 21/22 Jan 83 p 1

[Text] Sao Paulo (DAILY POST) -- Governor-elect of Rio de Janeiro, Leonel Brizola of the PDT [Democratic Workers Party] party met with PT [Workers Party] President Luis Inacio "Lula" da Silva at the home of PT Congressman Eduardo Suplicy in Sao Paulo Wednesday to discuss the possible fusion of the so-called "small parties" -- the PDT, the PT and Vargas' PTB [Brazilian Labor Party].

Based on the idea that all three are workers' parties and therefore have goals and ideals in common, Brizola was in Sao Paulo to try to convince Lula of the advantages of such a coalition.

Lula has already made it clear that the PT "can stand on its own" without any help from the other parties.

Although he does not expect Lula's party to join forces with the PDT and PTB immediately, Brizola expressed the hope that Lula would come to understand that the "small parties" stand little chance of winning elections in 1986 without such a fusion.

BRAZIL ADOPTS 12-MILE TERRITORIAL SEA LIMIT

PY192020 Rio de Janeiro O GLOBO in Portuguese 4 Jan 83 p 4

[Text] The Brazilian Government has already adopted the 12-mile territorial sea limit and the exclusive economic zone which was approved during the Law of the Sea Conference sponsored by the United Nations. According to a member of the Admiralty, who yesterday disclosed the new Brazilian position, a study on the Brazilian position is being carried out by the Foreign Ministry which will then submit it to President Figueiredo. The Navy has officially accepted the change but leaves the final decision up to Itamaraty.

The admiral stated that taking into account the existence of long range missiles one can no longer talk about national security on the basis of a 12 or 200 mile territorial sea. According to him it is necessary to develop a doctrine or the means for security and to guarantee sovereignty over the economic resources in the continental shelf.

The member of the Admiralty pointed out that in the past the territorial sea limit was established taking into account the maximum range of the cannons, but nowadays those outdated cannons have been outdone by the sophisticated technology used for building missiles. For this reason the Navy, in its capacity as the department responsible for the Brazilian naval power, is not against the reduction of the territorial sea limit.

The Navy was never capable of adequately keeping under surveillance a 200-mile territorial sea and, according to a survey carried out, it needed to multiply its means tenfold to carry out this task.

The reduction of the territorial sea represents an international victory for the United States which had never accepted the 200-mile thesis sustained by some countries, Brazil among them. This thesis never really had an international consensus.

There are however, differences between the position of the United States and that of other countries regarding the exploitation of seabed economic resources. These differences though are not as broad as those over the question of the territorial sea.

CHILEAN ECONOMY, FINANCE MINISTER INTERVIEWED

PY260202 Santiago EL MERCURIO EDICION INTERNATIONAL in Spanish 30 Dec 82 p 6

[Undated interview of Chilean Economy and Finance Minister Rolf Luders in Santiago with Maria Angelica de Luigi]

[Excerpt] [Question] How much liquid reserve do we still have, Mr Minister?

[Answer] We have $655 million in gold, and $680 million in liquid reserves.

[Question] Not much ... is it?

[Answer] I don't agree. On the contrary, I think it is enough. It is equivalent to about 8-months of import expenses. There are countries which only have enough for 3 or 4 months. In Latin America I am referring to Brazil, Ecuador, Mexico, Uruguay, etc.

[Question] The IMF loan is indeed little.... Of the $900 million offered, how much is it loaning to us on conditions?

[Answer] Some $600 million....

[Question] It looks like a bad deal, considering that for that amount we are tied up for 2 years....

[Answer] But that is not the objective. This is like someone saying let me clean your house and I will give you a quarter. The quarter is not important, but letting the world know that the house is clean is important. What we want is some sort of good behavior certificate permitting us to gain the confidence of the foreign banks, the national banks and the economic agents so the country will not have a problem with its balance of payments, and consequently, foreign exchange problems. This loan will induce the foreign banks to continue lending, and the national economic agents to borrow. This borrowing is very important because what has happened is that, despite the foreign banks' willingness to renew their lines of credit, the national economic agents have been reluctant to borrow and the national banks then had to return the credits.

[Question] How much credit has gone unused?

[Answer] In the private sector, some $8 million in short-term credits this year, at a pace that has been increasing. It gained some $670 million in short- and long-term credits early in 1982, as the result of decisions made earlier. The national private banks, however, have returned some $400 million.

[Question] Is the greater loss of foreign reserves due to returned credits or to the purchase of dollars over the counter?

[Answer] Well, important purchases have been made over the counter, some $250 million, during the period of floating exchange especially. The losses through returned credits and over-the-counter purchases were both caused by the lack of confidence in future developments in dollar exchange rate.

[Question] Why do you believe that internal economic agents should regain confidence in the wake of the IMF loan?

[Answer] Because the IMF standby credits are granted only upon the implementation of a coherent program that can presumably be maintained over the longer term.

[Question] The problem is that in order to obtain that "good behavior certificate" we must bind ourselves by a number of conditions that perhaps are not advantageous for the country.

[Answer] Well, we will analyze our commitments to the IMF. In the first place, we have to have a certain level of reserves....

[Question] We did not attain that level because we lost $1.5 billion this year, isn't that so?

[Answer] No, although we lost more reserves than was originally planned by the IMF, we have met the established amount under the agreed terms.

[Question] How?

[Answer] What happened was that when estimating the credit expansion with the IMF, our estimates indicated a different figure for the loss of reserves. We turned out to be right and the IMF accepted the final figure for the purpose of the agreement.

[Question] Did you estimate a loss below the IMF estimates?

[Answer] No, a higher one. However, the IMF did not object to this figure because we had predicted it.

[Question] What else did we agree to with the IMF apart from a specific limit in the loss of reserves?

[Answer] The agreement also commits us not to exceed a certain limit in the expansion of the Central Bank's internal credit....

[Question] How far did we exceed that limit with the issuance of 75 billion pesos in the past 3 months?

[Answer] We did not exceed it. Our efforts to keep ourselves within the limit set in the plan -- an expansion of approximately 45 billion pesos between September and December -- accounts for the lack of liquidity observed during December. In keeping with this plan, we will only be able to have an expansion of 7 or 8 billion pesos during the first 3 months of 1984.

[Question] What about the public sector?

[Answer] The agreement also contemplates a deficit in the fiscal budget which cannot exceed 1.7 percent of the gross domestic product and the commitment that the public sector will not obtain new credits in excess of $2 billion...

[Question] Does this include the public sector's already existing debt of $5,461,000,000?

[Answer] The public foreign debt should not exceed this amount. The amount that will fall due this year amounts to approximately $1.3 billion and the amount that we are planning to obtain totals $1.7 billion. In other words, we are below the $2 billion limit....

[Question] Does the IMF also impose restrictions on the exchange rate? Was this not the reason for chancing the procedure for buying dollars at the preferential rate?

[Answer] No. What happened was that during the negotiations the IMF insisted greatly on abandoning the preferential exchange rate and fixing one exchange rate only. However, the IMF ended up accepting the maintenance of the preferential exchange rate.

[Question] And the new forward exchange rate, won't that be contrary to the IMF criteria?

[Answer] No. This consists of extending the term of guarantee beyond the 6-month deadline currently in force. As is known, our exchange policy consists of adjusting the exchange rate on the basis of the domestic inflation rate minus the international nominal inflation rate, which is currently estimated at 12 percent. The IMF has raised no objections in this regard.

[Question] Has any commitment been made regarding maintaining low tariffs?

[Answer] We have made no such commitment. What happens is that the IMF obviously prefers that tariffs not be increased so as not to harm world trade. As is known, our policy contemplates keeping tariffs low and even. We have told this to the IMF.

[Question] Don't all the conditions imposed by the IMF suggest that we will be tied to a policy which might not be the most suitable under the present circumstances?

[Answer] It should not be forgotten that the IMF's conditions, which were agreed upon with us, are normal in our economic system if we want to fulfill our external commitments. In the first place we are the ones who believe that the external restrictions are important, and the IMF second. These external restrictions (which refers to the foreign resources we may obtain next year) determine all the macroeconomic targets of our program and which were agreed on without any reservations with the IMF. It is not the IMF that sets the restrictions, but we who bound ourselves to a coherent program to maintain solvency and to permit as much recovery as possible. What I mean is that our own program did not make a higher credit expansion advisable...

[Question] There has been a 180-degree turn, however. Until November, the decision was to greatly expand internal credit, as much as 38 percent per month...Now it has been restricted. Up to what point was this decision the IMF's or the government's?

[Answer] We made the decision... The agreement with the IMF permits us to change the speed of credit expansion. What we did is to increase credit rapidly in the first months to see that it was translated into greater recovery, rather than in loss of reserves. We observed that, far from stimulating recovery, the expansion caused an even greater loss of reserves. We proved to ourselves that the theory that recovery can be attained through a greatly expanded monetary policy is simply false. This does not mean that the fiscal route we are using as much as possible is not effective.

[Question] But, is it false that, in the situation we are in, increased money supply is necessary to stimulate demand, and consequently, production and employment?

[Answer] It is true that economic activity depends on aggregate demand and the aggregate demand depends on money supply. The latter is only partly true, because it also depends on other factors, such as, exports... This is to say that there are other factors that can bring about a moderate recovery like the one we are proposing....

[Question] Then, what is the recovery mechanism now that the mechanism of internal credit expansion has been abandoned?

[Answer] Through exports and public expenditures, which we are expanding at almost double the rate of 1982. Another is simply through a greater confidence in the foreign credits and, at the same time, increased offers of foreign credits....It is not true, I repeat, that the only mechanism for recovery is "putting money" into the system. An increase in money supply can be attained through exports and through greater demand for foreign credit...

[Question] But that is the option you have made. Another option -- it is pointed out -- is an emergency plan which may bring about a faster recovery...

[Answer] Among other things, because if recovery is too strong, demand for imports will increase...

[Question] Why demand for imports and not for domestic products, considering that imports are limited by the rise of the dollar against the Chilean peso?

[Answer] Because people will immediately demand more bread and we do not have enough wheat. And they will consume more tea, milk and meat and...then, since our main problem stems from the shortage of foreign resources, an immediate imbalance will result in the total loss of our reserves or probably in a runaway inflation. What we have to resolve is the inflow of foreign resources first...

[Question] But it has been said that there is another option for recovery that was left out: injecting money through a massive employment plan which, in addition to reducing unemployment, would increase demand for goods, and so stimulate industries. The unemployed who find a job will not rush to buy dollars....

[Answer] We are doing this. As I said, we are programming more public projects, especially during the first half of next year, at almost twice the traditional rate over recent years. We are really making a very great effort...

[Question] But the constructions chamber has complained about the delay and that not even bids have been invited...

[Answer] There are always problems which delay the beginning of new projects. Basically, however, what has been programmed is being carried out. Within the limitations of our resources, I believe that recovery will be attained through this expedient. But doing much more would only produce the sort of imbalance we referred to before...Within the limitations imposed by the real restrictions we face, we are moving ahead with those projects. To that effect, for instance, we have changed the mode of payment of the preferential dollar benefit which, up until now, was paid in currency. After the adoption of the new measures, that payment is being made in promisory notes, and thus the amount of printed money which has been programmed can be channeled by the Central Bank in other ways. With these resources we are going to partly finance the greater amount of public projects. The change which has been made frees the equivalent of $500 million in 1983. Of course not all of this will be channeled into public projects, because a significant part of it will be used to permit the Central Bank more flexibility in the management of money and credit, in order to prevent excessive fluctuations in the rate of interests...

[Question] Can't we be more generous with the massive employment plan?

[Answer] I do not believe one should expect an economy with severe external restrictions due to obligations contracted previously and due to the international recession to be in the same position it was during the period of boom in international trade, low foreign indebtedness, a normal international financial market, and willingness to lend money to Chile. I believe people must understand that it is absolutely impossible for the level of consumers spending to be similar to that in 1980-1981. The world was then willing to lend us lots of money, and our debt -- although high already -- still permitted us to contract more debts. Today we are one of the countries with the highest per capita debt in the world. Of course the possibilities of obtaining more credit are reduced. The recession has spawned a very serious financial problem in all Latin America, and this also has an important indirect effect on Chile. Moreoever, the international markets are weaker and we are being paid much lower prices for our products. All of this radically changes our possibilities to spend. The country should spend less. This is a real situation and it does not depend on any monetary policy. This is simply an aspect of the problem... Then, if too much money is injected, in my opinion, initially there might be a greater recovery but later it will ignite uncontrollable inflation. As we know the cost of injecting more money is very high. The cost in terms of the objective, which is to raise the level of consumer spending, is very high, and so, it is preferable to have a slow recovery with a moderate rate of inflation.

[Question] The option adopted, then is to resort to foreign credits. But the world situation has caused a restriction of these credits due to the lack of confidence of the world banking system. If Latin America has reduced its foreign debt from 22 to 7 percent due to this, then what is the reason for an agreement with the IMF involving the large amount of credit for Chile?

[Answer] We should not expect a large amount of new net credits. What we should expect, in general, is a renewal of the lines of credit by the banks of the international financial centers. They will renew these lines of credit if they trust that the country's macro-economic policy is sound and allows the fulfillment of commitments. They prefer to do this instead of renegotiating a debt, which always involves trust on the part of the banks themselves. That is, the international banks prefer that alternative to recording a new problem on their books. In all the trips I have made and in all my meetings with the main bankers they have always offered to kepp the lines of credit open with additional sums for specific projects.

[Question] It is said that, on the contrary, it would be more convenient for them to renegotiate the the Chilean debt, because then the state would be a guarantor....

[Answer] That is not very clear and it depends on our own policies. If we lose our reserves through our own fault we will be forced to become responsible for the total debt. But if we comply with a rational macroeconomic handling of the economy, I suppose that organizations such as the IMF would put pressure on the private foreign banks to contribute their share. As is known, the IMF, once it gets involved in an agreement such as the one with our country, cooperates so that all scheduled credits are granted.

[Question] Can we say, Mr Minister, that with the latest measure the hole through which the dollars exited was closed?: Will there by any other way to take them out of the country?

[Answer] Ah, well, although with greater difficulties, there will always be ways of taking foreign exchange out of the country. For this very reason we must have a credit policy consistent with the need to maintain the level of reserves. If we expand credit too much, exporters will have incentive to delay collection of foreign exchange due them, importers will have incentive to make payments sooner and the banks will probably have less incentive to renew the lines of credit.

Shortly, a number of mechanisms would be created, all of them legal, to take dollars out of the country. In general, it does not mean that the country is losing reserves in the sense that the reserves will not remain in the hands of a national enterprise or of a compnahy established in Chile. But the truth is that from the standpoint of the Central Bank reserves, and consequently as a matter of confidence, reserves can always decrease, even with the money exit closed. I repeat, only a policy coherently oriented to prevent the flight of foreign exchange through incentives will be able to stop it.

[Question] What measures are designed to instill confidence and stop the flight of foreign exchange?

[Answer] We believe that the climate of confidence should be created by the entire package of measures. The most important measures are the signing of the agreement with the IMF, the establishment of a credit expansion policy by the Central Bank in line with the need to maintain our foreign reserves, and of course the renegotiation of our internal debt, which I believe is indispensable. Perhaps also the new mechanism for the purchase of dollars.... In sum, that whole package of measures plus many others which should induce people to think it over and decide to incur debts in dollars again.

[Question] You have harsh words for those who send their dollars abroad. You said that "they timidly seek refuge in foreign havens."

[Answer] Well, it seems to me that there are few countries adopting an economic policy as coherent as our policy, which is directed at not renegotiating our foreign debt as a whole, which aims at maintaining the level of foreign reserves and at giving stability to the foreign exchange policy. It is hard to understand why people do not leave their resources in the country, why they do not invest in the country.

[Question] In your last speech to the nation, you brought up another not necessarily economic element: Be patriotic. Do you think this element has played a role in the economy this past year?

[Answer] What happens is that, although the economic phenomenon is primarily technical, it also has purely emotional elements in many aspects. I think that if people unite to turn recession back, they are more likely to succeed than if each one seeks his own benefit and does not act with a degree of patriotism.

[Question] What will be the mechanism for recovery that will be triggered through the liquidation of nonviable enterprises scheduled for this month?

[Answer] The gain of confidence. Furthermore, nonviable enterprises sap resources from the economy without giving any benefit back, and this has an effect on the interest rate. If those enterprises are liquidated, the sale of their assets will normally induce some people to use some of their resources in the purchase of those enterprises, and therefore assets which were financed through indebtedness before will now be financed with personal assets. This would indicate that there might be less pressure on the credit market.

In other words, the effect is two-pronged: less resources consumed and less pressure on the credit market.

[Question] The doubt lies in whether the liquidity resulting from the bankruptcy of all these enterprises will really be sufficient to reduce the interest rates.

[Answer] I believe it will be enough. It is true that we do not yet know what percentage of the 11 percent maximum of the debt in the hands of enterprises to be liquidated will be capitalized through the contribution of capital by the new owners. It will depend on how the new owners make their purchases. If they go into debt to do so, nothing will be gained. But the logical thing would be -- and we are going to make sure that this is what happens -- that the new owners make a substantial contribution of capital to prevent a mere transfer of assets as has happened in previous years. In this way the transfer should have some positive effect on the interest rate. However, I think that rather than the capitalization or cutting back in the use of resources, the most important effect will be to do away with the uncertainty in the financial market. This will allow greater receptivity for foreign resources and, as a consequence, a greater availability of domestic loans. The package of these developments should have a very positive effect on the interest rates.

[Question] But the procedure is very slow....

[Answer] Yes, it is, but we are studying the possibility of perfecting the system with the justice minister. Moreover, it is quite likely that in many cases the problem will be solved sooner through transferring the companies to whoever agrees to pay their debts or similar procedures. In that way I hope it will be a reasonably expeditious precedure. Anyhow, uncertainty will surely disappear soon since we have established deadlines. This is a fact....

[Question] You claim that confidence will return; however, there are some factors hindering this return. What percentage of the foreign debt do the interlocking capital enterprises hold?

[Answer] A substantial percentage. The most important enterprises, which naturally are the fewest, always hold a very large portion of the debt. It is a common belief that normally 20 percent of the bank creditors hold 80 percent of the debt....

[Question] The danger then would be if those few enterprises that hold the largest portion of the debt are also the nonviable enterprises....

[Answer] Naturally, a large part of the bank loans are granted to manufacturing industries. As a rule these manufacturing industries are perfectly viable and as a consequence so are their owners in most cases.

[Question] What about the so-called "dummy companies," which are also acquiring loans?

[Answer] Dummy companies are those that hold shares and rights in other companies some of which, naturally, also acquire loans. The program to break up the interlocking capital companies will reduce and, by late 1987, eliminate the amount of credit which can be loaned to an enterprise through the interlocking investment system. Moreover, the banks have been instructed to take the necessary measures for these enterprises. All the necessary steps have been taken for an orderly and gradual solution to the problem.

[Question] It has been stated on several occasions that a great campaign has been launched against the interlocking capital enterprises....

[Answer] What I can state is that the government is making a great effort to treat all companies, large and small, equally. This means that we are not going to harm the interlocking capital enterprises because they are large but, by the same token, neither are we going to give them preferential treatment, and this must be clearly understood by everyone....

BETANCUR PROGRESS 'NORMAL' AFTER OPERATION

PA271449 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 27 Jan 83

[Text] Bogota -- President Belisario Betancur enjoyed a second restful night last night in his normal postoperative recovery. The Marly Clinic has reported that the president's condition is normal and that he is progressing as expected after an appendectomy, although his doctors have expressed surprise over his vitality.

President Betancur Cuartas remains at the head of government affairs through a communications system that has been installed in the room where is convalescing. His working day is the same as it has been since 7 August of last year. Since 0700 he has been in contact with the ministers at the Narino Palace and he will participate actively in their deliberations in the course of the morning.

According to the Marly Clinic, the president's medical progress is normal and it is expected that [words indistinct] he will be back at work at the Narino Palace.

President Betancur will have a number of meetings throughout the day with top ranking government officials and will contact others by telephone. At 1530 he is scheduled to meet with the director of the world computer center, who was expressly invited to come to Colombia for the inauguaration of a similar center that will be the first of its kind in Latin America.

President Betancur is constantly accompanied by his wife, Rosa, his two daughters and his son Roberto.

EMERGENCY MEASURES FOR SUBVERSION UNDER STUDY

PA241945 Buenos Aires LATIN in Spanish 1741 GMT 24 Jan 83

[Text] Bogota, 24 Jan (LATIN-REUTER) -- Civilian and military authorities today began to study the emergency measures to be taken in the face of increased guerrilla activities in the southwest, a high military official said.

The situation is again difficult as a result of kidnappings following the incursion of rebel groups into several villages, Army 8th Brigade Commander Gen Manuel Murillo told newsmen. He said that in the 24 days of January, armed groups -- especially the 19 April Movement, M-19, and the Revolutionary Armed Forces of Colombia, FARC -- have kidnapped 19 persons in Caqueta Department, in Colombia's southwest some 700 km from Bogota.

Felix Tovar Zambrano, former governor of Caqueta Department and Liberal Party congressmen, is among those kidnapped. Apparently he is being held by the M-19, the general said. Authorities are trying to confirm last Friday's report by a local radio station that 150 FARC guerrillas kidnapped 18 persons and seized four light aircraft in the plains of Yari, Caqueta Department, 600 km southwest of Bogota, and that they are asking $5 million for their release.

Measures will be taken by the Regional Security Council, General Murillo indicated. Not long ago, the Army indicted a large number of civilians involved with the guerrillas, accusing them of disturbing public order and attacking democratic institutions. The indictment was submitted by Armed Forces commander Gen Gustavo Matamoros before the National Attorney General's Office.

ECUADOR VIEWS CONFERENCE AS 'COUNTERPRODUCTIVE'

Moves 'To Save' OPEC

PA280154 Quito Cadena Ecuador Radio in Spanish 2300 GMT 26 Jan 83

[Text] (Ernesto Alban Gomez), national secretary of public information, said during a news conference today that the government was annoyed at the way the OPEC conference was held. He described the conference as unnecessary and counterproductive for the OPEC member countries. He said that Ecuador has contacted the governments of the OPEC member countries in order to make joint efforts to save the organization and has appealed to the Third World countries that are not members of the organization.

In analyzing the consequences that the problems of the OPEC conference could have for the country, he said that by not reaching an agreement among the producers each country has been left to fend for itself in the international market. This will result in price drops, and a $1 price decrease would represent $40 million less income for Ecuador.

[Begin recording] [Alban Gomez] This can only mean price reductions, and price reductions hold very difficult consequences for Ecuador. Every $1 decrease in the price of oil will have negative consequences for the budget and for the whole national economy.

From all these viewpoints, what took place in Geneva is very serious, and the country must be clearly aware of all the repercussions of this situation.

I would also like to point out and repeat the remarks made by our natural resources minister regarding the annoyance of the Ecuadorean Government because this conference was held at a completely unfavorable time. The conference was found to be not only unnecessary, but counterproductive for the OPEC member countries' interests. Prior consensus and prior agreements should have been reached and taken to the conference in order to be able to adopt decisions at the conference.

However, what happened was that irreconcilable positions became evident at the conference, which prevented the adoption of any agreement. It was absolutely counterproductive to arrive at the conference under these conditions.

Finally, I would like to point out that the Ecuadorean Government will immediately contact the governments of other OPEC member countries in order to make joint efforts to save the organization. Ecuador has faith in OPEC and in the role it plays in the marketing of oil, as well as in the international economy. Therefore, it is indispensable that the OPEC member countries make a determined effort to save the organization from any crisis that could affect it as a result of this conference. The Ecuadorean Government is also making an appeal to the Third World countries that are not OPEC members to support this effort to help the organization because the organization is passing through a crucial time for its survival and for the economy of the Third World countries.

[Answer] The Ecuadorean Government is prepared to contact every government, not just the governments that are geographically near, such as Venezuela, but the Arab countries as well, and the other OPEC members, to state these viewpoints so we can together contribute to the solution of this crisis. Naturally, we know that the job will not be easy, that there are often contradictory interests and aspirations, but we believe that beyond all these interests we have the obligation to protect the organization, which is fundamental in this historic time for the world. [end recording]

Adopts Aggressive Sales Policy

PA270233 Quito Cadena Ecuador Radio in Spanish 2000 GMT 25 Jan 83

[Text] Ecuador will undertake an aggressive oil marketing policy to counteract the possible effects of the failure of the last OPEC conference, according to acting Natural Resources Minister Jorge Trujillo, who added that Gustavo Galindo, natural resources and energy minister, left for Taiwan, South Korea and Japan. He explained that the Ministry had earlier decided that if no agreement was reached on production quotas, Ecuador would undertake an aggressive policy to sell its crude oil, particularly in the nontraditional market. Trujillo labeled the OPEC conference that ended in Geneva a few days ago a partial failure, noting that until the next conference is held prices will be determined by supply and demand.

[Begin recording] It is public knowledge that the extraordinary OPEC conference ended yesterday in Geneva. Initially, the OPEC member countries had reached agreement on a production ceiling, which decreased from 18.5 million to approximately 17.5 million barrels a day. (?Agreement was reached at first) on the quotas, but during the second part of the conference, though we were (?close) to reaching an agreement, it was unfortunately impossible to do. [passage indistinct] [end recording]

BRIEFS

PCD LEADER'S RESIGNATION -- Aquiles Rigail Santistevan today reaffirmed to this station his resignation from the leadership of People, Change and Democracy [PCD]. At the same time he admitted the possibility of an alliance between the PCD and the Democratic Left. Rigail Santistevan justified his resignation by saying that he wanted to leave the party free to determine future policy. [Quito Cadena Ecuador Radio in Spanish 2300 GMT 25 Jan 83 PA]

PERU DELIVERS NOTE TO ECUADOR RATIFYING STANCE

PY271347 Lima Radio Union in Spanish 1130 GMT 27 Jan 83

[Text] The Peruvian Government has ratified its firm stance regarding the border incident which took place on 18 January during which a Peruvian patrol, which was clearing the border area, was attacked by Ecuadorean soldiers. Two Peruvians were killed and one wounded on this occasion.

The Peruvian position regarding this incident is contained in a note which was delivered through the Foreign Ministry to the Ecuadorean ambassador to Peru.

EPISCOPATE REJECTS CHARGES OF SUBVERSION

PY271550 Lima Radio Union in Spanish 1130 GMT 27 Jan 83

[Text] The Episcopal Conference has once again rejected the charges made by the Peruvian Government and pointed out that the statements attributed to the Press Secretariat of the presidency of the republic do not give any facts about the alleged participation by members of the clergy and religious congregations in subversive activities which are currently taking place in Peru.

ECONOMY MINISTER INTERVIEWED IN EXPRESO 8 JAN

PY252009 Lima EXPRESO in Spanish 8 Jan 83 pp 24, 25

[Undated interview granted by Peruvian Economy, Finance and Trade Minister Carlos Rodriguez Pastor to Artemio Panta -- place not given]

[Text] [Question] Will you continue with the policy that was implemented by former economy minister Manuel Ulloa consisting of seeking the resources necessary to implement investment projects through foreign financing?

[Answer] Definitely. The country needs to make up for insufficient internal savings with foreign funds. Therefore, although I intend to reduce the race of the increase in the foreign debt figure, it will be indispensable to continue with the same foreign financing policy because we have a balance of payments deficit.

[Question] Do you think this is a viable policy?

[Answer] It is one of the policies deriving from the situation the country is experiencing. There has been a marked drop in exports and the deficit in the balance of payments' current accounts calls for the urgent need to negotiate foreign loans. If this is not done, the problem with the economic activity would aggravate and production would continue to decrease steeply.

[Question] The financial deficit in the 1983 budget is estimated at approximately 900 billion soles and the only way to cover this deficit is through foreign lines of credit. However, these lines of credit are difficult to obtain because of the international situation, are they not?

[Answer] You are right. The situation is difficult.

[Question] Supposing that these lines of credit cannot be obtained, would you recommend a modification of the Central Bank's monetary policy? In other words, would you recommend printing more money?

[Answer] I would not recommend this because it would only increase the inflation rate and create a lack of confidence in the country. Moreover, this would virtually mean levying a tax behind the back of the Congress. I believe that this measure is not applicable in this case. Moreover, it would be a deceitful attitude.

[Question] What would your attitude be then?

[Answer] I insist that my policy will be to reduce the expenditures and to be more selective in the choice of projects to be financed with foreign funds. It is the only way to compensate for the lack of resources. Besides, we will not be able to spend if we cannot get foreign financing, so I believe there is no problem.

[Question] As far as we know, the deficit in the central government's budget is estimated at approximately 4.5 percent of the gross domestic produce [GDP]. This deficit might reach 10 percent of the GDP if, we add to it the deficit estimated for public enterprises. What will Peru do if the IMF conditions the negotiations on a budget deficit of 5 percent of the GDP?

[Answer] The IMF neither conditions nor demands anything. We have set ourselves the goal of reducing the deficit to a figure that will be easier to handle. The deficit was 8 percent of the GDP in 1980 and probably 6 percent of the GDP in 1982.

[Question] In other words, you intend to...?

[Answer] I intend to reduce that percentage by half and to have a deficit of approximately 3 or 4 percent of the GDP at the end of the year.

[Question] What will happen if you cannot attain this reduction?

[Answer] I would say that our policy will be a total failure if we cannot reduce the deficit to less than 10 percent of the GDP this year.

We will reduce expenditures and increase revenues so as to have a moderate deficit. We will also see a decrease in the inflation rate instead of an increase. We are seeking to increase our credibility abroad in order to finance the additional amount of domestic resources that we need to survive, to carry out public works and to grow.

[Question] How much do you expect to reduce expenditures?

[Answer] We expect to reduce the deficit to a figure below 10 percent of the GDP. Otherwise, we will have skyrocketting inflation and anything can happen. Moreover, not attaining this would mean swindling the people who are already suffering a lot under the present situation.

[Question] Are domestic savings sufficient or insufficient to promote the country's development?

[Answer] They are insufficient.

[Question] How much is needed to cover the current accounts deficit?

[Answer] This deficit is on the order of $1.5 billion. This is the amount we must finance this year. The domestic savings are insufficient but there is the potential for improvement. Other measures must be sought to attain this. This is one of the changes that will be made in comparison to the foreign policy. We have to adopt measures aimed at promoting savings in soles. I will expand the studies in this regard and try not to create costs too high for the industrial sector, which is already quite affected.

[Question] Do you have any comments to make on the bank law, which has been modified?

[Answer] It is a positive law since our country needs capital. We must try to obtain capital so that the industrial sector may have the resources to update its infrastructure and become more competitive on the international market.

[Question] Do you think that the percentage established by this law for the participation of foreign capital is sufficient?

[Answer] Look, it has always been stated that the foreign banks have a negative influence therefore it is a good thing that the law establishes a percentage for the participation of foreign capital. Now we will see how it works, whether foreign capital has any interest or not now that the 30 percent limit has been established.

[Question] Are you planning on modifying the interest rate?

[Answer] Interest rates should be positive in real terms so that the savers may receive a remuneration, which is higher than the inflation rate, for their deposits.

[Question] Are you planning to grant the agricultural sector priority treatment?

[Answer] Yes, definitely, and not only because it is so established in the Constitution but because it is also part of the governing party's program. I hope that this year's economic growth will be based on the reactivation of the agricultural sector.

[Question] What about the industrial sector?

[Answer] We are going to try to reorganize that sector so that it may understand that Peru is not isolated, that it belongs to the international economy and that we must enter the large consumer markets of the world.

[Question] I have the impression that you are aware of certain pessimism regarding inflation.

[Answer] No, not at all. What I maintain is that inflation is so harmful, so pernicious and negative for the country that a national campaign to erradicate or curb it must be launched.

[Question] Does this mean that you are not pessimistic regarding the task of curbing it?

[Answer] Inflation is our greatest problem and I would like to point out that it can only be curbed with everybody's effort.

Businessmen would like inflation to drop without it altering their sales, the workers would like it to drop without this having a detrimental effect on their salaries and politicians advocate a drop in the inflation rate without entailing the paralyzation of public works in the regions they represent, but inflation cannot be curbed with wishful thinking.

[Question] Mr Minister, what is necessary to curb it?

[Answer] Each of those sectors must realize that they must contribute with some of their earnings. In other words, the sacrifice and effort must be general.

[Question] Mr Minister, will Peru be able to curb and reduce the inflation rate by the end of the year? If so, how much do you think the inflation rate will be?

[Answer] Definitely, I am quite sure we will. However, I cannot make any estimates. I haven't been in Lima long enough. But one thing I can say for sure is that another year with a 70-percent inflation rate for a country like Peru will be very dangerous.

[Question] What was your reaction to your appointment as economy minister?

[Answer] The president of the Council of Ministers himself made me the offer.

[Question] Have you been offered this post several times?

[Answer] I have been linked to the public sector ever since I occupied a high-ranking post in the Central Reserve Bank (BCR). I have frequently discussed the possibility of becoming minister but never have actually been able to do so for personal reasons that have already been disclosed.

[Question] Are you going to address the country?

[Answer] After the foreign minister does. Maybe in late February.

[Question] There is talk that you had set some conditions for accepting the Economy, Finance and Commerce Ministry. Is that true?

[Answer] I have set no conditions. The only thing I did was to give my personal opinion on how the economic policy should be conducted. I explained how I viewed the national economic problem and how I would tackle it. I outlined the type of measures and plans I would adopt and since all my proposals were accepted and I was listened to and told that there was a general consensus on my proposals I decided to undertake the task.

[Question] Does this mean there will be a change of course in the economic policy?

[Answer] Any new person who takes over will interpret the economic situation in a different way and as a consequence will adopt different measures.

[Question] Could you disclose some of the new measures which you plan to implement during your administration?

[Answer] Not for the moment. It is only polite to wait for the foreign minister to explain the new cabinet's plan in his address to the National Congress, which contains the action plans of all the sectors including the economic sector.

[Question] But will there be any changes in the economic policy?

[Answer] Naturally, but these changes will be made in the way the economic policy is implemented. Nevertheless, despite the restricted eblow room which a minister has for action in the current circumstances due to the balance of payments, I hope to reduce the inflation rate, reactivate the economy, etcetera, but the room for action is very narrow.

[Question] What about contraband?

[Answer] We will have to go into this issue, carry out an investigation, eradicate it and punish those responsible. Contraband is a problem that most countries have. It is very difficult to control customs but I understand that an effort is being made in this regard.

[Question] There are reports of economic indicators abroad that lead us to believe that an economic reactivation of industrialized countries, such as the United States, has started. Do you have any information in this regard?

[Answer] If one were to be optimistic there are signs that indicate the recovery or reactivation of the U.S. economy is about to start.

It is estimated that the U.S. GDP growth will amount to 3 percent. This is a very modest recovery if one were to take into account that an previous occasions the recovery, after a recession, was much greater. If we were to compare the years 1981 and 1982 that 3 percent already indicates the existance of a recovery.

The recovery is noticeable in the housing sectors, the purchase of vehicles and this is probably because of a drop in the interest rates and inflation (5 percent), which 2 years ago amounted to 10 percent.

MINERS DEMAND PAY, CLASH WITH POLICE IN LIMA

PY280232 Paris AFP in Spanish 2358 GMT 27 Jan 83

[Text] Lima, 27 Jan (AFP) — Approximately 500 miners and a few women today converged on the parade ground of this capital, in front of the Government Palace, to ask President Fernando Belaunde to solve their salary demands.

The miners are from the Cata Acari, Canaria and Caridad mines. Wearing helmets, they had to clash with the policemen antiriot vehicles in the downtown area before reaching the parade ground. The miners of Cata Acari and Caridad request payment of unpaid salaries equivalent to 5 months and other benefits and those of Canarias request payment of unpaid salaries equivalent to 1 full year.

FINANCE MINISTER ON OIL PRODUCTION, EXCHANGE RATE

PA271508 Madrid EFE in Spanish 0211 GMT 27 Jan 83

[Text] Caracas, 26 Jan (EFE) -- During a meeting with 150 representatives of national and foreign banks, Venezuelan Finance Minister Arturo Sosa announced that Venezuela will maintain its oil production level at 1.6 million barrels per day. The meeting was held under the auspices of the Venezuelan Banking Association in order to learn about the government's attitude after the Geneva OPEC meeting failed, and the concern that prevails among the financial and business sectors in Venezuela.

Sosa said that "it won't be necessary to readjust this year's budget" to maintain the export levels. He also said the results of the Geneva meeting do not imply that "the government's arguments to maintain the Bolivar's present exchange rate will no longer be valid." Asked about possible measures to prevent the drain of capital, the minister pointed out that, as he had previously stated, "they have no plans to establish control of foreign exchange" because Venezuela "has only one exchange system and enough reserves to withstand the present crisis of confidence."

More on Petroleum Production

PA272249 Paris AFP in Spanish 2239 GMT 27 Jan 83

[Text] Caracas, 27 Jan (AFP) -- Humberto Calderon Berti, Venezuelan oil and energy minister, said on his return this afternoon that the current price of oil and production will be maintained.

Calderon Berti, who returned from Geneva and Madrid where he attended the OPEC ministerial meeting, was emphatic in stating that not one step backward will be taken and that everything will remain unchanged in regard to sales and exports. Venezuelan production is currently 2,011,000 barrels daily, while exports total 1,569,000 barrels daily, which the country sells at $34 per barrel.

POLICE, STUDENTS CLASH FOR THIRD STRAIGHT DAY

PA271448 Paris AFP in Spanish 1332 GMT 27 Jan 83

[Text] Caracas, 27 Jan (AFP) -- Today the police and youths of the poor areas in the western part of Caracas clashed for the third straight day. There was rock throwing and shootings; 30 were arrested and several wounded. The disorders were started by some 100 youths who covered their heads with "hoods." They were supporters of "extreme leftist groups," according to the police.

The rioters burned tires and stoned police lines near six schools west of Caracas. They were protesting the death last week of student Nelson Ramon Velasquez who was killed during a clash between the police and students in Valencia, 150 km west of Caracas. Student rallies in Valencia resulted in at least 100 arrests, several persons were wounded and vehicles burned.

Limited enrollment for higher education students is triggering these disturbances. Frustrated students who wanted to enroll in the Eastern Venezuela University kidnapped the university's rector for several hours. In addition, the western universities of Maracaibo and Merida are facing a work stoppage caused by a serious budget crisis.

PST CITES 'ARROGANCE' OF OTHER WORKERS' PARTIES

PA270427 Mexico City EL DIA in Spanish 15 Jan 83 p 6

[By Angel Aguilar]

[Text] The PST [Workers Socialist Party] Central Committee yesterday urged its militants not to pay attention to appeals from the United Socialist Party, the Mexican Workers Party and the Revolutionary Workers Party, because they support a policy of confrontation with the state.

In a national meeting of leaders, which was attended by only 500 of the 4,700 delegates but which nevertheless began the work of rebuilding the PST, Central Committee Chairman Rafael Aguilar Talamantes indicated that the behavior of those parties is the result of their view of the state as the primary and most immediate enemy of the people.

He insisted that the great arrogance that is clouding the vision of those parties prevents them from seeing that it is in fact the large bourgeoisie and imperialism that they are benefiting with their struggle to ensure the failure of the state's economic recovery plan.

Aguilar Talamantes said that the PST adherents, aware of their historic duty, reject the provocations of Trotskyite and pseudosocialist groups. He also called for a closing of ranks around the essential struggle to defend the nation's sovereignty.

He indicated that in facing the crisis the workers must have a highly organized and disciplined party that can serve to confront the crisis and to assuage the painful effects of high prices.

The national meeting of PST leaders began 2 hours late, since only about 300 delegates were present at 1800, an insufficient number to begin the session. The meeting began with about 500 delegates.

The work will continue today in the medical center [not further identified] and will end tomorrow, Sunday, with a national assembly that is expected to be attended by 2,000 of the 4,700 PST delegates.

AMNESTY INTERNATIONAL OFFICIAL ON REFUGEES

PA272057 Madrid EFE in Spanish 0436 GMT 27 Jan 83

[Text] Mexico City, 26 Jan (EFE) -- Mauricio Guerrero, president of the Mexican section of "Amnesty International," said here today that more than 100,000 Guatemalan refugees and thousands of Central Americans reside in Mexico. In a statement to the press, Guerrero added that these people left their respective countries "in view of the alarming increase of repression and violation of human rights in that area." He added that most of the Central American refugees living in Mexico reside in the state of Chiapas, on the Guatemalan border. Guerrero added that several international organizations such as the United Nations have prepared a program for this year to get the refugees involved in some productive activity.

Guerrero pointed out that right now those refugees barely survive thanks to the help they receive from local residents and from the Mexican Government. He commented that most of the refugees have repeatedly expressed their desire to return to their countries when the violence subsides. In the name of "Amnesty International," Guerrero rejected the extension of the state of siege declared yesterday in Guatemala by President Efrain Rios Montt.

CANAL DIRECTORS HOLD 'INTENSIVE' MEETINGS

PA252229 Panama City CRITICA in Spanish 25 Jan 83 pp 2, 16

[Article by Carlos J. Nunez L.]

[Text] Although only three of the four Panamanians on the Panama Canal Commission Board of Directors have been confirmed in their posts by the U.S. President, all of the members, both Panamanian and U.S. citizens, have been involved since yesterday in intensive working meetings and an exchange of opinions.

The Canal Board of Directors will meet formally from 26 January to 28 January in this, the 10th version of the new relationship in the government of the waterway that removed the colonial governor's position, which existed until 1979.

The Panamanians, who are in a minority, have tried by every means at their disposal to put an end to the old colonialist practices in the administration of the lock canal. However, this has been only partially successful because of law 96-70, which was practically imposed by the United States and which Panama has protested.

The only member of the Panamanian group who has not been confirmed in his post, in accordance with the provisions of the Torrijos-Carter treaties, is Luis Anderson. He will, however, participate in the working meetings.

It was learned from well-informed sources in the Panamanian Foreign Ministry that the Panamanian representatives will present a basic document that covers all of the issues currently in dispute. In fact, the coalition of Department of Defense employees, which is made up of local labor unions AFSCME, 907, AFGE 14 and 1805, will hold a news conference tomorrow to outline the working conditions and the discriminatory wage scale that exist in the canal area, both under the Panama Canal Commission and on the military bases. The press conference will be held at the headquarters of the CTRP [Confederation of Workers of the Republic of Panama], on 31st Street, between Justo Arosemena and Mexico avenues in Panama City.

Yesterday morning, directors Andrew E. Gibson of the United States and Carlos Ozores Typaldos and Luis Anderson flew over the canal by helicopter and later visited the dredging division. Meanwhile, the well-known William R. Gianelli, president of the board and President Reagan's direct representative, and other board members were already carrying out an orientation plan duly prepared by Mcauliffe and Manfredo, the administrator and deputy administrator of the canal.

Today, all of the canal directors are on an inspection tour of the Balboa dry dock. They will discuss reports on the issue of the tolls, which, along with the problem of wage discrimination, is the most crucial topic of the meeting.

Toll Increase Approved

PA271925 Panama City Televisora Nacional in Spanish 1730 GMT 27 Jan 83

[Text] During the first annual meeting of the Panama Canal Commission's Board of Directors, an increase in the canal's toll rates was approved. The new rates, which must be confirmed by U.S. President Ronald Reagan, will be $1.83 per ton for ships carrying cargo; $1.46 per ton for ships carrying only ballast, or empty; and $1.02 per ton for special ships.

COSTA RICA

SECURITY MINISTER ON TRIP TO ISRAEL, ROMANIA

PA270315 San Jose Radio Reloj in Spanish 0100 GMT 26 Jan 83

[Text] In a news conference today, Security Minister Angel Edmundo Solano explained the reasons for his recent trip to Romania, Israel and the Vatican. He said that the visits were in reply to invitations from the respective governments and for the purpose of requesting aid for [word indistinct] some fundamental problems in Costa Rica's domestic security. He said that his trip lasted about 20 days and that his meeting with the pope lasted 10 minutes.

Minister Solano added that basically he requested advice on ways to fight the terrorism that has recently been active in Costa Rica. He also asked for help in improving the police force's organization and in overcoming serious problems like those in the areas of transportation and communications. He noted that he left the door open in Romania and Israel so that those countries can share their experiences in fighting terrorism with Costa Rica. The security minister said that his visit to those two countries also left the door open for programs to finance communications equipment that is currently essential in Cost Rica. He explored with some success the chances of obtaining mobile equipment for the Costa Rican police through some kind of future negotiations. The minister also said that there are many aspects that must still be discussed, since his trip was intended solely to explore possibilities.

I did not try to acquire war material for Costa Rica, the security minister noted. He added that there is no plan to turn Costa Rica in a base for attacking another country. He explained that the cooperation to be offered by Romania and Israel will essentially involve the police field and the anti-terrorist struggle, including training for the unit that was recently created in Costa Rica. The training site has yet to be decided but it is hoped that it will be here, so that the training can reflect our specific needs.

Solano said that he made it clear on his trip that our country is neutral on the problems that affect the Central American area. He added that it was a trip promoting peace. He said that many think that rendering the police a more professional force is tantamount to militarizing the country, which in fact it is not. He reiterated that if peace is to be established, not only in Central America but throughout the world, there must be complete disarmament and budgets must be used to solve social problems and not to purchase weaponry.

Solano said that as a Catholic, his 10-minute meeting with the pope was very emotional and important for him. He said that the purpose of the meeting was to express the filial adherence of the Costa Rica president, government and people to the holy father and to express our offer of hospitality during his visit to Costa Rica in March.

The security minister said that he signed no military pacts in Israel. He denied reports about the purchase of warships and the installation of a military base in Costa Rica. He said: We are not involved in an arms race or in wasting resources on international military foolishness. The Condeca [Central American Defense Council] will not be revived. This was said by the security minister after his trip to Romania and Israel.

[Begin Solano recording] We are not involved in any arms buildup or in wasting resources on international military foolishness. That is my position as the security minister. Neither are we interested in the announcement calling for the revival of the Condeca. We are not interested. Costa Rica wants to continue to be a country without an army and with the moral authority to defend its sovereignty and intergrity through respect for international treaties and the inter-American legal system.

The second thing that I wish to clarify and that also has well-known origins is that I signed no military pacts in Israel. It is false that we are planning to purchase war planes or ships, as a report that I think was published by the U.S. newspaper THE NEW YORK TIMES indicated. It is also false that we are thinking of establishing a military base [words indistinct]. That is absolutely and totally false. The Costa Ricans can be proud that the resources of our national budget will continue to be predominantly and primarily invested in health and education. While I head the ministry, (?I will never) create a military machine in this country. The Costa Rican people would not forgive [words indistinct]. [end recording]

PASTORA DENIES CONNECTION WITH GUERRILLA CAMPS

PA270145 Panama City ACAN in Spanish 1227 GMT 26 Jan 83

[Text] San Jose, 26 Jan (ACAN-EFE) -- Eden Pastora, Nicaragua's "Commander Cero," and several of his close followers in San Jose have said that the camps that were dismantled and the Nicaraguans who were captured by the Costa Rican police in the last few days are not part of any military organization.

Pastora told ACAN-EFE that the camps in Guanacaste were used a long time ago but that were abandoned when his movement stopped being a military organization in its effort not to play into the hands of the former Somozist guards, who want to return to Nicaragua.

Cero's companeros believe that the camps were occupied in the last few months by some 20 opponents of the Managua regime but declare that they were not members of the "Sandino Democratic Movement" [Movimiento Democratico Sandino -- MDS] headed by Pastora and were not receiving military training.

As for the supplies and arms found in the abandoned camps by the Civil Guard, the Nicaraguans said that the food belonged to the farm's inhabitants and that the weapons were only a few of many abandoned in this region when the "southern front," led by Pastora, advanced toward Managua to overthrow Somoza.

The opponents of the current Nicaraguan regime said here that the men captured by the police were not armed or even in uniform, which proves that they were not guerrillas in training.

On the topic of the antenna tound on the farm near the Nicaraguan border, which was allegedly used by Pastora recently to interfere with a Nicaraguan television channel in order to transmit a revolutionary message, Commander Cero said that this is absurd.

He said that "this is an abandoned antenna with a limited range that could never be used to interfere with a television channel, even if it were in good shape."

EL SALVADOR

D'AUBUISSON ACCUSES MAGANA OF ATTACKING ARENA

PA272214 San Salvador EL MUNDO in Spanish 26 Jan 83 p 2

[Excerpts] Maj Roberto d'Aubuisson has accused President Magana of attacking his party, the Nationalist Republican Alliance, Arena, because it does not share his ideas of government. He said that this is reflected in the appointment of a health minister who is a member of the Democratic Action [AD] Party, with disregard for the Apaneca pact.

"This could create a crisis," assembly President d'Aubuisson said. He indicated that his party will not accept this change, even though it was proposed to the Constituent Assembly by the executive.

D'Aubuisson admitted that (as EL MUNDO reported last week), he had had a slight dispute with AD deputies a few minutes before the beginning of the last plenary session, when he suggested that the piece of correspondence containing the executive's proposal not be read. "However, in the end, we read it, although the board of officers had decided against it," D'Aubuisson added.

As far as President Magana is concerned, D'Aubuisson said that perhaps the president's position is the result of the fact that Arena defends the productive sectors and does not believe in nationalization. "On the other hand, Dr Magana believes in state-oriented systems," he said.

For their part, AD members Luis Nelson Segovia and Ricardo Gonzalez Camacho accused D'Aubuisson of wanting to "shelve the executive's suggestion, because this week he failed to summon the special commission that would have been in charge of issuing a ruling to allow the appointment to be confirmed in the next plenary session."

The AD members said that "this shows a lack of ethics and an arbitrary handling of the convening of meetings, because in the last plenary meeting he (D'Aubuisson) convoked a meeting of the special commission, and it was not on the official agenda. It is not known what reasons or intentions led the president of the assembly to refrain from convening this meeting."

The AD members said that if the president of the assembly does not pass the executive's note on to the special commission, "we will create a row, because we have the support of at least 31-40 votes, if all the independents give their support as they have promised."

D'Aubuisson's Assembly Power Curbed

PA280144 San Salvador Radio Cadena YSKL in Spanish 0100 GMT 28 Jan 83

[Text] The Salvadoran Constituent Assembly has decided, with 39 affirmative votes, to curtail the power of its Board of Directors on the question of the convening of plenary sessions. The deputies will now be able to hold plenary sessions as long as two members of the Board of Directors are present.

The decision of the 39 deputies is aimed, as they themselves said, at curtailing the decisionmaking power in the assembly of Maj Roberto D'Aubuisson, who walked out of the Constituent Assembly this morning when the deputies were preparing to reaffirm and approve the appointment of Napoleon Cardenas as public health and social welfare minister, which was opposed by the Nationalist Republican Alliance, Arena.

Assembly Confirms New Health Minister

PA280437 Panama City ACAN in Spanish 0221 GMT 27 Jan 83

[Text] El Salvador, 27 Jan (ACAN-EFE) -- A total of 39 deputies of the 60 who comprise the Constituent Assembly held a plenary session this afternoon without the presence of the members of the Nationalist Republican Alliance (Arena), which includes Roberto d'Aubuisson, the assembly president.

The session was held after a series of incidents took place throughout the morning in the assembly room. When the plenary meeting began this morning, D'Aubuisson received a telephone call and immediately left the room without any explanation.

At 1000 the president left the chair while the deputies waited, and shortly afterward the deputies decided to walk out.

Subsequently, D'Aubuisson returned to the assembly room, but the sessions could not be resumed due to a lack of a quorum because there were only 17 Arena and 1 National Conciliation Party (PCN) deputies.

The 39 deputies returned in the afternoon and held the plenary meeting chaired by Hugo Roberto Carrillo, first vice president of the PCN. The deputies present belonged to the Christian Democratic Party, Democratic Action, the PCN and a splinter group of the PCN, the group called "Autonomous Deputies."

The salient point at the meeting was the modification of Article 44 of the assembly regulations, which requires that assembly resolutions be signed by five of the nine directors. The modification reduces the number of necessary signatures to three.

After modifying the article, the 39 deputies confirmed the appointment of Napoleon Cardenas, member of Democratic Action, as health minister. His appointment had been rejected by D'Aubuisson, the Arena Party and the Salvadoran Popular Party (PPS). Cardenas' appointment was approved by 24 deputies of the PDC, 5 of the PCN, 2 of AD, and 8 of the autonomous faction of the PCN.

Julio Adolfo Rey Prendes, PDC secretary general, charged that he had received threatening telephone calls against himself and his daughters shortly after the evening sessions adjourned. He said that other deputies had also received similar threatening calls.

Deputies attending the sessions told ACAN-EFE that they do not want the assembly board to be replaced, but they did not dismiss the possibility.

Some of the PDC and AD deputies maintained that they will continue to hold plenary meetings even if Assembly President Roberto d'Aubuisson does not attend them. One of the three vice presidents of the republic, Raul Molina Martinez of the PCN, said that it is about time that they put an end "to the arrogance of the assembly president, who does things when he wants."

URBAN GUERRILLAS ATTACK GARRISON IN CAPITAL

PA271221 Panama City ACAN in Spanish 0530 GMT 27 Jan 83

[Text] San Salvador, 26 Jan (ACAN-EFE) -- Tonight Salvadoran urban guerrilla cells attacked guards on the northern section of the San Carlos garrison, in northern San Salvador. Intensive shooting has been underway since 2115 (0315 GMT).

According to reports heard on local radio stations and from residents of northern San Salvador, several FMLN units attacked the garrison from four different directions.

The shooting has been constant for the past hour. Sources at the San Carlos garrison have informed ACAN-EFE that the shooting's intensity has decreased but that it was still going as of 2230 (0430 GMT).

Local radio stations and citizen band transmissions have asked the capital's residents to refrain from moving about in northern San Salvador.

Simultaneously, various explosions have been heard in the northwestern San Salvador. Their cause is unknown for the moment.

Military sources who have been consulted, as well as the Red Cross, have said that the number of any possible casualties of the intense shooting is still unknown.

ARMY REPORTS CONTROL IN SAN VICENTE AREA

PA270053 San Salvador EL MUNDO in Spanish 25 Jan 83 p 1

[Text] At daybreak today, the northwestern zone of San Vicente came under heavy bombing from Air Force planes and cannonfire from military artillery, within a new search and removal operation against the guerrilla camps being waged by the 5th Infantry Brigade's special troops and the security forces stationed in the area. According to a military commander's spokesmen, the area is now under military control.

The 5th Brigade command began to deploy the armed forces contingents last night, in accordance with a tactical plan encompassing a vast area. Early today, the Air Force units began to bomb upon discovering that some of the guerrillas were moving toward Cabanas Department, while others were heading toward the east and south along the Rio Acahuapa basin and its tributaries.

The bombing that most alarmed San Vicente residents took place this morning around San Felipe, El Junquillal, San Francisco Chamoco and other villages and cantons, where, according to the sources, the guerrillas were gathering in order to carry out raids on the Pan-American Highway and to continue to block traffic toward the east.

Following the bomb and mortar attacks on the extremists, shock troops went into action. In the initial fighting they killed or injured a number of extremists. The exact number of casualties has not been determined, because it has not been possible to count them, the source added.

People in the rural communities in the area where the 5th Infantry Brigade troops are operating have been warned to remain indoors and to stay way from the conflict. As the troops pass through each community, it has been explained, platoons of soldiers and NCO's tell the peasants how to protect themselves and how to cooperate with the army by reporting the attackers' movements and presence.

Asked how much longer this operation will last, the source answered: "As long as is necessary to carry out an effective cleanup operation." The military spokesman said in conclusion: "We have really dealt the terrorists a hard blow today."

Report on Fighting in Interior

PA280021 San Salvador Radio Cadena YSKL in Spanish 1300 GMT 27 Jan 83

[Text] Here are duly confirmed reports from the interior of the republic. Santa Ana, 65 km west of San Salvador, which is considered the second most important city in the country, has been subject since last night to attacks from guerrilla groups, while armed forces units are patrolling the outskirts of the heroic city in search of the rebellious individuals who staged a raid last night.

A few moments ago, judicial authorities of Santa Ana reported that two people were killed last night in the western part of the city as a result of an exchange of fire between rebel groups and armed forces. The shooting began at approximately 2000 and lasted until about 2200.

Today an extensive sector of the city of Santa Ana is without power because the rebel groups destroyed two high-voltage transformer poles in the southern part of the city. According to reports, vehicular traffic, including public transportation, has been suspended since early yesterday. According to official bulletins, traffic is normal today in the urban part of Santa Ana, and international transportation to the capital continues to flow normally.

In San Salvador, the judicial center has reported that four civilians were killed in the shooting that took place last night between the rebels and members of the San Carlos detachment in northwestern San Salvador. The judge's reports indicate that the bodies of three civilians were found in the area around the San Carlos garrison. They had been shot to death, and had no documents on them. The strange aspect noted in the reports was that the victims, all of whom were young, had their pockets turned inside out, which indicates that their documents were removed, or possibly that they had been searched by the authorities.

Meanwhile, a civilian who was injured in the same crossfire died in Rosales hospital this morning, and the body of a fifth person was found near the cemetery in the vicinity of the headquarters of the National Police in the Jose Simeon Canas urban center, which is better known as the Zacamil neighborhood.

Meanwhile, for the second consecutive day, access had been cut off until further orders on the railroad bridge that is the only passable crossing over the Lempa River in the southern part of the nation. It is located beside the destroyed Orc bridge, according to official reports from military authorities in Zacatecoluca, San Vicente and Usulutan. The Armed Forces High Command is taking measures to make it possible for traffic to be restored in that area, in view of the constant threat posed by the subversive group that operates in the area.

Meanwhile, it has been confirmed from Usulutan that military units have been dispatched toward the town of San Agustin because of the insurgent attacks that began last night and lasted until early this morning. Most of the inhabitants of the province have been displaced for the rural areas. Most residents of the tiny town of San Agustin, 90 km southeast of San Salvador, left the town some months ago in the wake of attacks from the insurgent groups that are active in the region.

Guerrilla Chief Killed in Clash

PA280013 San Salvador EL DIARIO DE HOY in Spanish 27 Jan 83 p 2, 35

[Excerpt] Hernando Orellana, Alias Mario, chief of the subversive forces' militias, was killed in the fighting between a military patrol and a group of terrorists at the place known as Penas el Alto. The Armed Forces Press Committee, Coprefa, reported yesterday that the site of the confrontation is in the area of the Cerron Grande dam, and that the clash occurred as the military patrol was on a surveillance tour of the area.

Found on the body of the terrorist chief were documents, 1,000 series 0825917 escudos issued by the Central Bank of Chile, a pair of binoculars, contact grenades and an M-16 rifle. The patrol sustained no casualties. The extremists fled when they were ocerrun.

HAVANA: 4,000 ARMY TROOPS TRAPPED IN MORAZAN

PA270025 Havana International Service in Spanish 1600 GMT 26 Jan 83

[Text] The current military situation in El Salvador can be characterized as follows: More than 4,000 troops are trapped in the capital of Morazan Department, four other communities in Chalatenango have been occupied by the guerrillas and a new war front has been opened in Usulutan. Thus, the FMLN is successfully continuing its revolutionary Heroes of January offensive.

Radio Venceremos, the official voice of the FMLN, has reported that 16 national guardsmen were captured and a helicopter was downed during the guerrillas' most recent actions in Chalatenango.

The army's communications station in Miramundo was attacked near La Palma, one of the four places that the Salvadoran rebels have occupied in the last few hours. New insurgent actions were also reported in Usulutan Department, where the town of Alegria was seized and the foundation of the railroad bridge over the Rio Lempa were partially sabotaged.

RADIO VENCEREMOS REPORTS ON MILITARY ACTIONS

Army Setbacks in Morazan

PA271850 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 27 Jan 83

[Text] The dictatorship's operation against Morazan Department, in which it has concentrated its four elite battalions, has reached its 10th day without their accomplishing their mission.

Ten days after the launching of its offensive, the enemy has been unable to retake Jocoaitique, Meanguera and the other towns in northern Morazan. Five days have passed since the Atonal Battalion was expelled from Meanguera and its environs and the army has been unable to cross the Torola River again. Our forces are still holding their positions along the northern bank of Torola River.

Thus far, the dictatorship's operation, one of the largest in recent months since the dictatorship has devoted all its special battalions to this effort, is bogged down. The four battalions are immobilized.

The full military strength of the dictatorship's special battalions is concentrated in Morazan Department since the Atonal, (Cazadores) and Ramon Belloso battalions are here and also the Atlacatl Battalion, which arrived 2 days ago to help the regime's special forces out of the difficult military situation they were facing. In these last few days, following the fierce fighting that resulted in the dislodging of the Atonal Battalion from Meanguera, our forces have been actively building trenches and fortifications in the area; our forces are waiting for the enemy to try to advance. This way, the price of every small stretch and meter of land the enemy tries to take will be heavy casualties.

Our forces have built trenches in the entire area between Villa El Rosario and Torola as well as in the vicinity of Meanguera and Jocoaitique. The enemy has tried to advance through these areas. To the moment, our forces are still in control of extensive territory, not only in Morazan Department but in La Union Department as well.

Here in Morazan, we are holding Meanguera, Jocoaitique, San Fernando , Torola, Perquin, Villa el Rosario, Arambala and Corinto. In La Union Department, we have expelled the enemy from the towns of Anamoros, (El Dislique), Nueva Esparata, (Oloros) and the Monteca military airstrip. This means that FMLN forces have a vast area through which they can move, operate and gain further strength on the basis of the people's support.

At this moment, our forces are ready and on the alert to go into action at any time and to inflict new defeats on the enemy as well as to give new victories to our people.

FMLN Usulutan Successes

PA280404 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 28 Jan 83

[Text] Our January Revolutionary Heroes offensive continues to advance. After making unusable the bridge over the Lempa River and achieving resounding victories in the southeastern region, Radio Venceremos continues to receive reports that show the advance of our campaign in the area of Usulutan.

On the night of 26 January, the enemy forces that were guarding the El Coyolito bridge fled in disarray without even fighting our military units, thus showing the low morale of the enemy soldiers in the face of the advance of our forces in that southern region of Usulutan Department. Our companeros have proceeded to take control of that position on the Coastal Highway. They have absolute military control of a large section of this important route. The section goes from the town of Tierra Blanca to the exit of Jiquilisco. A total of 12 kilometers of the Coastal Highway are in the hands of the FMLN.

Honduran Soldiers in Country

PA280350 (Clandestine) Radio Venceremos in Spanish to El Salvador 0230 GMT 28 Jan 83

[Text] General Garcia is incapable of inflicting any defeat on us, is fearful of suffering a failure, and is hestitating over the adventure to which he is committed in Morazan Department. Therefore, the high command has asked for support from the Honduran Army in its operations in this department.

Gen Gustavo Alvarez, chief of the Honduran Army, an unconditional supporter of the Reagan administration [words indistinct] this new war adventure in support of the Salvadoran dictatorship. On the morning of 27 January, Honduran Army troops from the (Marcala) Battalion concentrated and occupied positions in some sectors of the Honduran border and then entered some points of Morazan Department. The crossing of the Honduran troops took place at a point known as (Uniguara). They penetrated as far as (El Tijate), El Salvador.

The Honduran troops have also concentrated at several points near the intersection of the Torola and San Antonio Rivers.

Also on the morning of 27 January, two A-37 Dragonfly planes flew in from Honduras, made bombing runs in Morazan Department and returned to Honduras

The FMLN is not worried by the intervention of the Honduran Army. This is not the first time. On previous occasions, Honduran troops participated and were unsuccessful. They will have much less success now that our revolutionary army is stronger than ever and is constantly advancing. But we do deplore the fact that we will have to fight against Honduran soldiers. We deplore the fact that fraternal blood will be shed, because our forces have been instructed to repel and smash any Honduran troops that penetrate our territory.

We deplore the fact that General Alvarez is irresponsibly leading his people and country toward the grave consequences of a regionalization of the conflict. This is precisely what might happen with this new warmongering adventure by General Alvarez. Nevertheless the revolutionary struggle is advancing with giant steps in Central America, and this may be the price we have to pay in order to achieve it.

We are certain that the Honduran revolutionary moment will exact a high price from General Alvarez for daring to interfere in El Salvador, where a just war is being waged for national liberation. We are certain that the Honduran people will reject the irresponsibility of General Alvarez in sending Honduran soldiers to senselessly shed their blood in a sister nation.

MANAGUA: FMLN LEADER SEES VICTORY CLOSE BY

PA262140 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jan 83

[Excerpt] A leader of El Salvador's FMLN said the war is being won. The people are advancing and the enemy is retreating; we are waging the final, decisive battles to defeat the Salvadoran Army and North American imperialism, (Mercedes Ruiz), FMLN representative to the Nicaraguan Committee of Solidarity with Peoples, said yesterday during an event to pay homage to the 30,000 Salvadoran peasants and workers who, with Farabundo Marti, were massacred by Maximiliano Hernandez Martinez on 22 January 1932.

Victory is now approaching, she said, but this means we need to engage in new battles that involve risks. We know that imperialist intervention is latent but we are ready to fight, like the heroic Vietnamese people.

The FMLN leader emphasized that the enemy is strong and powerful but not invincible. She said that, as Central Americans, we will defend the region's sovereignty and keep imperialism from turning it into its backyard.

BARRICADA: FMLN'S ZAMORA ON CEASE-FIRE

PA272220 Managua BARRICADA in Spanish 22 Jan 83 p 2

[Text] Ruben Zamora, member of the politico-diplomatic commission of the FMLN-Democratic Revolutionary Front (FMLN-FDR) of El Salvador, called BARRICADA from Washington to make the following statement in reference to a press conference he held in the U.S. capital, which was transcribed in part on this page on Thursday, 20 January. We carried a version of the conference issued by AFP, which said that "Zamora reiterated that the FMLN-FDR is still willing to accept an immediate cease-fire, followed by negotiations to find a political solution..."

Zamora made it clear to BARRICADA that what he said -- and this expresses the position of the FMLN-FDR -- is that "there can be no truce or cease-fire before dialogue, except as part of a negotiating process; that is, the cease-fire cannot precede the negotiations." Zamora specified that "once the negotiations have begun, and in the course of them, we would be willing to consider a cease-fire." Zamora's clarifications are appropriate, and BARRICADA is grateful for them.

GUATEMALA

UK'S BELIZE COUNTERPROPOSALS NOT ACCEPTABLE

PA271650 Guatemala City EL GRAFICO in Spanish 26 Jan 83 p 6

[Editorial: "Talks on Belize Fail"]

[Text] Once more the talks between Guatemala and the United Kingdom, to solve the century-long difference over the Guatemalan territory of Belize, have ended in complete failure. The United Kingdom has refused to accept our country's proposal that the oil-producing territory be brought within our boundaries, which would allow us to have the necessary Atlantic sea outlet. In exchange, Guatemala would agree to demarcate the borders with Belize, recognize its independence and offer Belize the necessary help for it to be accepted into international organizations which currently refuse to accept it as a member because it is a territory under dispute.

This second round of talks was held behind closed doors at the UK mission at the United Nations. The talks should have been only between the UK and Guatemalan delegations However, the British included Said Musl, Belizean education minister and attorney general, in their delegation. Despite this, the Guatemalan delegation spoke with the sincere hope of finding a fair solution to the territorial claim over our deprived territory of Belize and presented a specific proposal which consisted of demarcation of the border and inclusion of the southern areas of Rio Mono, Toledo District, in Guatemalan territory. This area is a natural geographic extension of Peten Department. Fifty percent of the inhabitants of the area are of Maya-Quechi descent.

In their counterproposal, the British did not reject the Guatemalan proposal but, as good descendents of pirates and buccaneers, suggested a small area of joint development, 2 miles north and 2 miles south of the Sarstun River, with which they would have entry into 2 more miles of national territory. This would allow them as they did in the past, to continue adding territory to that already taken. With the dignity appropriate to a sovereign country, Guatemala -- not afraid of the power of weapons and arrogance, but favoring of reason and right, as has been demonstrated by history -- immediately rejected the ridiculous British-Belizean counterproposals. These counterproposals not only ignored the Guatemalan proposal but are a new attempt to gain entry to our territory. At the same time, the Guatemalan representatives reaffirmed, clearly and absolutely, their sovereign rights over the whole territory of Belize and the intent of achieving recognition of those rights through international law. They clearly stated that if the British modify their intransigent position, Guatemala will be willing to sit at the negotiating table.

If the governments of the past had taken firm and clear positions regarding the differences between Guatemala and the United Kingdom with regard to Belize, the whole world would be aware of the truth of our right to this territory, as it is aware of and supports Argentina's claim to the Malvinas, and Spain's claim to the Rock of Gibraltar. However, many of our governments hid, even from our own people, the state of negotiations and negligently allowed the British to distort the truth to their advantage. Today, Guatemala's claim has become a real national crusade, with the complete support of the Guatemalan people.

EL PETEN POLICEMEN CHARGED WITH MURDER

PA271314 Guatemala City Radio Nuevo Mundo Network in Spanish 1200 GMT 26 Jan 83

[Text] The National Police General Directorate has announced in a special bulletin. It says that because it is the institution's duty to maintain order, to protect people's lives and property, and in full compliance with present laws, on 22 January it dismissed (Jose Efrain Zepeda Henriquez), chief inspector of the Poptun, El Peten National Police, Inspector (Felipe Alvarez Cruz), and police agents (Belisario Cifuentes Castillo) and (Oscar Rolando Guerra Rosa), of the same police corps. They were all sent to court, charged with murdering and threatening government officials.

The official police communique says the former policemen are charged with having direct responsibility in the murder of Guatemalan citizen (Francisco Humberto Close Montero Castellanos), who died on 1 January from serious blows and kicks he received when they captured him on 29 December 1982.

It was also reported that the former policemen are also charged with threatening (Manuel Jose Aldana Chacon), the deputy mayor of the city, with death.

Since these acts violate present laws, mainly Article 23 of Law Decree 2482, the National Police can only act as strongly as the situation warrants when its members break the country's laws.

It was learned that the former policemen arrested in Poptun, El Peten, have already been sent to the courts to be judged and sentenced according to the law. Meanwhile, it was reported that the purge of the institution's rank and file continues.

HONDURAS

GOVERNMENT REPORTS CABINET, AGENCY CHANGES

PA272003 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 27 Jan 83

[Report by Andres Torres]

[Text] The president of the republic has ordered the following changes in government offices which will take effect today after the officials are sworn in by President Suazo:

Liberal Deputy Justo Pastor Calderon has been appointed executive president of Conadin [National Investment Corporation] replacing Roberto Galvez (Barnes) who will now head the Commission for Negotiation of the Foreign Debt with the rank of ambassador plenipotentiary in matters of international policy. (Lempira Bonilla) was confirmed as Conadin vice president.

At the Honduran Agricultural Marketing Institute [Instituto Hondureno de Mercadeo Agricola], IHMA, Liberal Deputy (Manfredo Fajardo) was appointed general manager, replacing Horacio Elvir Rojas, who was transferred to the position of executive director of the National Institute for Professional Training, INFOP. (Neftali Padilla) has been appointed assistant director of this institute.

(Oscar Bustillos) was confirmed as assistant manager of the IHMA. Meanwhile, (Agustin Rios), Conadin internal auditor, has been dismissed and temporarily replaced by (Jose Ismael Martinez).

At the National Housing Institute [Instituto Nacional de la Vivienda], (Inva), (Carlos Enrique Cerna) has been appointed to replace (Roberto Romero Larios), who was thanked for his services. However, (Elmer Elizardo) was confirmed as assistant general manager of this housing agency.

(Guillermo Bustillo Lanza) was confirmed as general manager of (Banasupro) [expansion unknown] and (Dario Humberto Hernandez) was appointed assistant manager, a position that was vacant.

At the National Industrial Development Center [Centro Nacional de Desarrollo Industrial], (CDI), (Elmer Enamorado) was appointed executive director, replacing Leonardo Godoy, to whom thanks were also given. Not even the assistant manager was spared at this institute.

(Augusto Aguilar) and (Neftali Montoya), who had been acting Infop director and assistant director, have been ostracized and apparently their replacements have been regarded as a solomonic measure by the president, because both had serious internal disagreements. [sentence as heard]

There is no limit to the changes. They will also reach the administration of the Central Penitentiary, where Liberal Deputy (Manuel de Jesus Flores) has been appointed to replace (Carlos Aguilar).

It follows from the foregoing appointments that three Liberal deputies will have to ask for permission from congress to accept and hold those positions and that, therefore, their alternates will have to take their seats. However, Justo Pastor Calderon was already a deputy; he was filling the position left vacant by Carlos Flores Facusse, the incumbent secretary of the presidential office.

This indicates that alternate deputies (Siliezas), (Padilla) or (Moncada) who are from Francisco Morazan Department, may be called upon to fill the seats of Calderon (Solorzano) or (Manuel de Jesus Flores) in the liberal bloc. This is left o the discretion of congress.

[Word indistinct] Five Liberal deputies are leaving their benches to fill posts in the government apparatus. They are (Jose Ascona), (Carlos Flores), (Manuel de Jesus Flores), (Manfredo Fajardo) and Justo Pastor Calderon.

Here come the confirmations now. Attention, Honduran people:

Roberto Zelaya and Ludovico Hernandez, president and vice president of the National Agriculture Development Bank, Banadesa, have been confirmed in their posts. (Rodrigo Castillo) has also been confirmed as general manager of the Honduran Corporation for Forest Development. Nothing was known until yesterday, however, about the destination of (Mario Espinal), general manager of Corfino [Financial Industrial Corporation] but apparently he will also be confirmed.

At the National Housing Financial Corporation [Financiera Nacional de la Vivienda], Finavi, (Ramiro Rodriguez Brans) has been confirmed and the same applies to (Geronimo Sandoval), general manager of the National Port Enterprise [Empresa Nacional Portuaria], and to (Jose Trinidad Fajardo), who is assistant manager of that enterprise. Both, (Sandoval) and (Fajardo), have been confirmed by the president of the republic.

At the time of this report we did not know if (German Aparicio) will be confirmed at the National Electric Energy Enterprise [Empresa Nacional de Energia Electrica]. Neither could we confirm if (Tomas Lozano) will have the same fate at [words indistinct] at the National Autonomous Aqueduct and Sewage Service, Sanaa.

We do know, however, that Rodolfo Castejon, general manager of the Honduran Coffee Institute, Ihcafe, has been confirmed in his post. It is not the case with (Ramiro Figueroa Fuentes), Ihcafe assistant manager, who is being transferred to the posts of first secretary at the Honduran Embassy in Great Britain and permanent representative at the international coffee organization. It has not yet been learned who will replace (Figueroa Fuentes) but the appointment will be made during the meeting of the Ihcafe (?board of directors) on 16 February.

In addition, Gonzalo Carias has been confirmed as president of the Honduran Central Bank and (Elmer Urbizo) at the Autonomous Municipal Bank [Banco Municipal Autonomo].

Let's talk about the cabinet now. Attention, please:

Gonzalo Rodriguez Soto will definitely leave the Secretariat of Public Health to become general director of the Honduran Social Security Institute [Instituto Hondureno de Seguridad Socia]. It has been learned that his replacement will be (Ruben Francisco Garcia Martinez), who would also be the first black state secretary. He has great ability and is highly motiviated. To the moment we do not know who will be named health undersecretary.

Col Jose Serra Hernandez, secretary of defense and public security, is reportedly being replaced by Col Amilcar Castillo Suazo. We have no official confirmation of this appointment.

Until last night, the president was considering transferring Arturo Corleto Moreira to the Executive Secretariat of the Higher Council of Economic Planning [Consuplane], a post he successfully held during the administration of General Melgar Castro. In this case, there were reports of the imminent appointment of (Arecio Ochoa) as secretary of finance and public credit, although there is the impression that (Ochoa) is not willing to join the cabinet because of the fine position he holds in a Honduran banking consortium and the post he holds as Honduran director at the Central American Bank of Economic Integration where he has a good salary and minimal responsibilities.

Therefore, according to the winds that are blowing this morning, Corleto Moreira will remain at the Finance Secretariat and Flores Escobar at Consuplane.

There are no changes in the rest of the cabinet. The information we have is that the constitutional president has enough pawns in his government chess game to forge ahead during 1983, which will be a very critical year of collective sacrifice.

The Honduran Government supports candidacy of Dante Ramirez for the presidency of the Central American Bank. There is no other candidate, although, to tell the truth, the climate in Central American circles is favorable to Corleto Moreira but he is not on Suazo Cordova's list for this position.

In conclusion, we wish to report that Gustavo Adolfo Alfaro will not be removed from his post of secretary of economy and commerce, at least not during this round. On the contrary, Alfaro heads two official delegations that will leave for Washington on Sunday to renegotiate Conadin's foreign debt and to work out an agreement between Port Enterprise and the (Construction Aggregate Corporation).

Neither is it true that Leticia Ma Tay will be moved from under secretary of integration to economy secretary. We can indeed report, however, that the interior trade undersecretary may be named today. The post may go to (Mario Batres Pineda) if he decides to withdraw for a while from his high position as president of an important insurance company. It would not be too much to say that (Batres Pineda's) appointment would be sound because we are familiar with his work and unquestionable honesty.

We had forgotten to report that (Salomon Ordonez) has been confirmed as general manager and (Eduardo Munguia) as assistant general manager of the Hunduran Banana Corporation. At Difocoop [Directorate for the Development of Cooperatives], Mario Efrain Flores Figueroa has been confirmed as executive director and (Adonay Castro Lizardo) as assistant director.

NICARAGUA

U.S. MISSION IN HONDURAS LINKED TO BIG PINE

PA270220 Managua Radio Sandino Network in Spanish 1200 GMT 26 Jan 83

["Beyond the News" feature: "The United States Protects Its Investments in Honduras Against Possible Wars"]

[Text] A U.S. mission is in Honduras negotiating a special agreement to protect U.S. investments in case of possible wars or confiscations. The visit coincides with the unloading from military planes of a large amount of sophisticated war material brought in from the United States, which will be used in the joint U.S.-Honduran maneuvers in southeast Honduras in early February.

The U.S. State Department mission, presided over Bruce Wilson, assistant deputy secretary of commerce, and by acting investments office Director Philip Lincoln, met last night with President Roberto Suazo Cordova. According to a U.S. spokesman, the negotiations are intended to guarantee the bilateral commercial system within the framework of a treaty for development and reciprocal protection of investments.

Nonetheless, the treaty has been criticized by Honduran experts, who consider it disadvantageous for Honduras, since the United States will be able to demand onerous indemnities in emergency cases.

Yesterday, the northeastern city of San Pedro Sula, some 200 km from Tegucigalpa, on the Atlantic coast, was the site of intense activity as military personnel unloaded the military material brought in from the United States for the Big Pine exercises.

These military maneuvers, the base of operations for which will be located in the Honduran Mosquitia about 15 km from the Nicaraguan border, will involve almost 7,000 Honduran and U.S. troops on land, sea and air. Both the Honduran Government and U.S. Ambassador in Tegucigalpa John Dimitri Negroponte have rejected Nicaragua's charge that these maneuvers are a new provocation against that country. Several Nicaraguan Government officials, however, have reiterated that these exercises will also help to support and encourage the armed Somozist guardsmen's groups, which launch almost daily attacks on Nicaraguan border towns from Honduras. So far, over 400 Nicaraguans have died in recent months because of the 500 or so military invasions have by armed groups operating from Honduras, a situation sponsored by Washington's policy and resources and condemned by most of the governments and political forces that seek peace and prosperity in Central America.

MANAGUA: MEXICAN PRESS COMMENT ON REAGAN SPEECH

PA271943 Managua Radio Sandino Network in Spanish 1200 GMT 27 Jan 83

[Text] The major Mexican newspapers yesterday critically mentioned U.S. President Ronald Reagan at least 13 times in their editorials and headlines. The Mexican press also referred to the joint U.S.-Honduran military maneuvers in the Central America area as a provocation against the people and Government of Nicaragua, as well as an attempt to weaken the revolutionary movements of El Salvador and Guatemala. Here is a special report from our correspondent in Mexico, (Guillermo Luna):

[Begin relay] Good morning, Radio Sandino listeners. This is (Guillermo Luna), reporting from Mexico.

U.S, President Ronald Reagan's state of the union message has been widely commented on by the Mexican papers. The dailies of this capital dedicated lengthy commentaries to the U.S. President's message.

EL DIA noted that the effects of world crisis had already reached the United States, which to a large measure, had helped unleash that crisis. The paper added that lack of planning, ferocious competition, uncontrolled inflation and excessive expenditures have had very negative effects. Further, EL DIA predicted very difficult days ahead in which the North Americans will have to learn to tighten their belts.

The society of opulence, waste and consumption will now understand the meaning of those concepts which up to now appeared to be the exclusive province of the Third World. These include austerity, controlling expenditures and unemployment as well as the imbalance between prices and salaries.

Referring to Reagan's statement on international problems, mainly in the Central American area, UNO MAS UNO commented that the uncertainty affecting international relations today is mostly due to U.S. intransigence and its leaders' lack of understanding concerning the Third World nations' just demands for economic welfare, justice and political independence.

In reference to Central America and the Caribbean, Reagan said that Washington had committed itself in the area to an association of peace, prosperity and democracy. However, UNO MAS UNO noted, the grandiloquence of his statements reveals an arrogance that could have disastrous consequences for humankind, should that arrogance prevail.

Meanwhile, EXCELSIOR considered that Reagan's words concerning the association for peace, prosperity and democracy in Central America and the Caribbean are meaningless when we realize who Reagan's associates in the Central American area are.

In an editorial, EL NACIONAL commented on the U.S.-Honduran Big Pine military maneuvers scheduled to start on 1 February very close to the Nicaraguan border. The paper described such maneuvers as a clear provocation of the Managua government and added that the maneuvers themselves are not an act of violence, but that it is evident that they are aimed in that direction and are some sort of prelude to violence.

Referring to world economic crisis and the Reagan administration's continuing aggression against Central American nations, the Mexican papers agreed that a change in U.S. policy is urgently needed. Otherwise, humankind may become embroiled in a conflict about which we may never be able to talk.

This was a report from your correspondent in Mexico, (Guillermo Luna). [end relay]

SECURITY FORCES KILL FIVE COUNTERREVOLUTIONARIES

PA272015 Managua Radio Sandino in Spanish 1830 GMT 27 Jan 83

[Communique issued by the Interior Ministry's Public and Foreign Relations Department on 27 January 1983 -- read by announcer]

[Text] The Interior Ministry wishes to report the death of five counterrevolutionaries at 1830 on 26 January in a clash with state security forces on the outskirts of El Hoyo volcano, Malpaisillo district, Leon Department. In the action, the security forces recovered three Chinese-made AK rifles, one Belgian rifle, one M-1 carbine and one M-79 grenade launcher, both U.S.-manufactured, a large amount of ammunition for AK and FAL rifles, M-1 carbines and M-79 grenade launchers, medicines and liquor.

State security had been aware for some time about the activity of counterrevolutionary bands in the Malpaisillo sector which engaged in criminal actions against our people, such as assaults on state farms and threats against the population to force them to cooperate. The security forces located these bands and prepared an operation on the outskirts of El Hoyo volcano, with the results already mentioned.

There were no casualties among the security forces, which continue tracking down the remaining bands in the area. Released in Managua, 27 January 1983. [Signed] the Interior Ministry's Public and Foreign Relations Department

CARLOS NUNEZ DISCUSSES POLITICAL PARTIES BILL

PA272020 Managua Domestic Service in Spanish 0300 GMT 27 Jan 83

[Text] The criminal groups of former Somozist guards who daily attack towns in the country's northern areas are the only ones who benefit from the attitude adopted by the rightwing parties comprising the so-called Ramiro Sacasa Guerrero Democratic Coordinating Board, two unions and the private sector's supreme council, because they have turned their backs on serene and mature discussion of the political parties bill.

Carlos Nunez Tellez, president of the State Council and commander of the revolution, made this statement today when closing the first seminar on the origin, activities and structure of Nicaraguan political parties at the Cesar Augusto Silva convention center.

If they resort to political sabotage, they are favoring the objectives of the Somozists and all those who have declared themselves enemies of the revolution. Commander Nunez Tellez added that, nevertheless, there is still time for them to change their decision. He said that when they decide to do this, they will find the State Council's doors open.

With or without the participation of the Ramiro Sacasa Guerrero Democratic Coordinating Board we will continue on our path, because these organizations are not decisive enough to stop democracy in Nicaragua, added the State Council president. He was closing the seminar on the political parties bill after 3 days of interesting discussions.

Commander Nunez Tellez said that part of our history is the perfection of democracy. He made the statement at the end of the "January Martyrs and Heroes" seminar on political parties, at the Cesar Augusto Silva convention center in Managua. Nunez said that the seminar is important for everyone, because a special commission will present a report to the State Council. That report will be drafted with the participation of every sector in the country and will incorporate all the concerns expressed at the seminar.

[Begin Nunez recording] [in progress] ...because when each of us tells his story and hears everybody else's story, we will become aware that our stories are closely linked and [words indistinct] we are the only ones responsible for this. This will allow us to learn that flexibility, maturity and respect among all political parties is fundamental for the construction of a new society.

It is important for the revolutionary process, because through [words indistinct] pluralist will; because practice establishes the channels for effective participation; because events like this are really a call for unity; and because this way we are all contributing toward the institutionalization of the revolutionary process. It is important for everyone, because the report which the special commission will present to the State Council will be drafted with the participation of all sectors and shall gather all the concerns that are expressed, trying to maintain the greatest consensus.

Although this seminar might mean different things, including complete or substantial change of the bill that will be presented to the State Council for approval, we must not forget two things; the electoral situation we will have next year, and the grave situation we are experiencing now.

Only by uniting our theoretical aspirations with objective reality will we be able to build for our people a society without hunger, illiteracy, death from lack of medical attention, and men and women who lack decent housing. In addition, we will be active participants in our own history, capable of expressing ourselves freely, and using all our creative capacity and initiative for the sake of peace.

Political parties are born in nations to make history. Let us join our hands, our fists and our forces to build our nation with pride, dignity and patriotism. The perfecting of democracy is part of our history. Which parties are ready to contribute to this? The political organizations absent from this hall have the word. The political organizations which are present are already making history with their actions. Thank you. [applause] [end recording]

EL SALVADOR

LATE REPORT: HAVANA: FMLN OFFENSIVE RESULTS

PA280408 Havana International Service in Spanish 1600 GMT 27 Jan 83

[Text] FMLN commandos have occupied a radio station in San Salvador and transmitted a revolutionary message.

Commander Carlos, member of the guerrilla's metropolitan front staff, told Radio Farabundo Marti that the taking over of the radio station was to inform the people about the development of the rebel's January Revolutionary Heroes offensive.

Since this rebel operation began on 9 January, guerrillas have inflicted 362 casualties on the army, including dead and wounded, and have captured 853. In addition, they have recovered 1 mortar, 3 cannons, 5 machineguns, 265 rifles, and a large amount of ammunition. They have also downed a U.S.-made Huey helicopter.

Other reports indicate that FMLN forces have seized five towns in Chalatenango -- Arcatao, Comalapa, San Luis del Carmen, Los Naranjos, and (El Tusal).

In Morazan Department, also a scene of the January Revolutionary Heroes offensive, the situation continues to be critical for the government forces, which have been practically besieged in San Francisco Gotera.

JUAN ALMEIDA BASQUE RETURNS FROM AFRICAN TOUR

FL241915 Havana Domestic Service in Spanish 1500 GMT 24 Jan 83

[Text] Juan Almeida Bosque, member of the Politburo, has returned to our country after a long tour of several countries of Africa and Oceania. Minutes after his arrival, Almeida, in an exclusive interview with Radio Reloj, said his trip was very positive and fruitful and that it had served to strengthen relations with the countries he visited.

Almeida met with the main leaders of Mozambique, Tanzania, Guinea-Bissau, Cape Verde, Congo, Zambia, Mali, Seychelles and Mauritius. He also made stopovers in Kenya, Sudan, Senegal and Ethiopia. Juan Almedia was met at the Jose Marti Airport by the members of the Central Committee, Isidoro Malmierca, Omar Iser and Rene de Los Santos.

HAVANA ON SUSPENSION OF BELIZE-GUATEMALA TALKS

PA280054 Havana International Service in Spanish 1600 GMT 26 Jan 83

[Text] It was reported in the United Nations that the talks between Belize and Guatemala have again been suspended after they resumed last Monday at the UK representation in the United Nations.

The present round of talks ended without agreement after Guatemala rejected a Belizean offer to establish a 2-mile joint development zone north and south of the Sarstun River, which would bring economic benefits for both countries.

The Guatemalan regime has a century-old claim on Belize, but its position has been left isolated in international organizations, especially in the UN General Assembly, in which every country has expressed solidarity with the Belizean cause.

HUNGARIAN YOUTH LEADER ARRIVES IN SANTIAGO

FL271225 Havana Domestic Service in Spanish 1100 GMT 27 Jan 83

[Text] Gyorgy Fejti, member of the [Hungarian Socialist Workers] Party Central Committee and first secretary of the Hungarian Communist Youth [League], has arrived in Santiago de Cuba on an official visit. He was welcomed at Antonio Maceo Airport by a large group of students, workers, and pioneers from the cradle of the revolution.

The Hungarian youth leader arrived in Santiago de Cuba accompanied by Carlos Lage, alternate member of the party Central Committee and first secretary of the UJC [Union of Young Communists], and other leaders.

SWEDISH DELEGATION ARRIVES FOR ANNUAL TALKS

FL241920 Havana Domestic Television Service in Spanish 1800 GMT 24 Jan 83

[Text] The annual meeting of the Cuban and Swedish governments to review cooperation began in the Sierra Mestra Hotel today. The meeting will end on 26 January.

Raul Taladrid, director of the developed capitalist countries department, who heads the Cuban delegation, welcomed the Swedish delegation. He made an assessment of Cuban economic development during 1982. (Stanislav Patek), official of the Swedish Foreign Affairs and Trade Ministry who heads his country's delegation, expressed his admiration and affection for the Cuban people. He also made an assessment of the Swedish economic situation. The Swedish delegation plans to visit economic and health centers during its stay in Cuba.

CDCC-SPONSORED MEETING TO DISCUSS COOPERATION

FL242159 Bridgetown CANA in English 1633 GMT 24 Jan 83

[Text] Port-of-Spain, Trinidad, Jan 24, CANA -- Latin American and English-speaking Caribbean governments (2 are meeting) to discuss ways of strengthening cooperation in a variety of fields, ranging from transport and energy to agriculture and statistics.

The meeting is being held under the auspices of the Caribbean Development and Cooperation Committee (CDCC) -- an institution created by the United Nations Economic Commission for Latin America (ECLA) to foster cooperation among developing countries of the Western Hemisphere.

The ministerial conference, to be chaired by Trinidad and Tobago's foreign minister Dr Basil Ince, was preceded by a meeting of CDCC technical experts who have presented their recommendations to the ministers for consideration during the next two days.

Recommendations from the experts include a suggestion that the CDCC pay attention to new patterns of trade which have been emerging such as arrangements which erect barriers. They urged renewed efforts to draw Latin America and the Caribbean closer together in trade and recommended that the ministers work to devise ways of eliminating procedural difficulties which hamper trade.

They emphasised the need for trade information and said a programme in this area could be linked to other efforts such as the formation of Caribbean multinational production and trade enterprises.

Officials said that the Dominican Republic renewed its offer to site the headquarters of a Caribbean trade information network in the republic.

The ministers will also be examining ways of improving transport among the countries of the hemisphere, but were expected to be lukewarm towards proposals for creation of container repair facilities in one of the larger territories.

The volume of repairs anticipated would not justify the outlay required, sources said.

On energy, delegates felt that not much was done in this area by the CDCC to avoid duplicating work being done by the Caricom Secretariat and the Caribbean Development Bank.

However, delegates did feel that the question of energy price structure required further investigation.

In agriculture, the exports noted that the creation of a multinational enterprise had been retarded because of the slow response by and limited information from governments.

The Dominican Republic offered its centre for research on crops and cross breeding for collaboration with the CDCC.

On statistics, much of the work is concentrated now on the preparation of a directory of major statistical publications as a prelude to the establishment of a statistical data bank.

The meeting is being attended by delegates from Barbados, Belize, Cuba, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Lucia, Suriname, Trinidad and Tobago and the Netherlands Antilles.

ANTIGUA & BARBUDA

PRIME MINISTER BIRD TO VISIT PRC, SOUTH KOREA

FL221455 Bridgetown CANA in English 1430 GMT 22 Jan 83

[Text] St Johns, Antigua, Jan 22, CANA -- Antigua and Barbudas Prime Minister Vere Bird has accepted an invitation from Peking to visit China, according to an official statement issued here today.

Mr Bird is likely to fly to China next July, according to the statement issued by the Foreign Ministry.

It would be Mr Bird's first official visit to China since the two countries established diplomatic relations last January 1.

Mr Bird plans to visit South Korea around the time he goes to China, the government reported.

Antigua and Barbudas Foreign Minister Lester Bird paid an official visit to South Korea last April.

GRENADA

AUTHORITIES REARREST PROMINENT UNION LEADER

FL261745 Bridgetown CANA in English 1736 GMT 26 Jan 83

[Text] St Georges, Grenada, Jan. 26, CANA -- The Grenadian authorities have re-arrested prominent trade unionist, Stanley Roberts, a month after his release from over a year in detention, sources close to his relatives said.

The sources said Roberts, a top official of the Seamen and Waterfront Union, was taken into custody early last Sunday morning by a group of armed security personnel. No reasons were given for the action.

The sources added that Roberts, who was first detained in 1981, was being held at the Richmond Hill prisons, where several other persons are being kept in detention by the People's Revolutionary Government.

HAITI

HECTOR RIODE BRIGADE THREATENS LIFE OF POPE

FL271045 Mexico City NOTIMEX in Spanish 0312 GMT 27 Jan 83

[Excerpts] Port-au-Prince, [Haiti], 26 Jan (NOTIMEX) -- The life of Pope John Paul II will be in grave danger in Haiti according to a threat received today in the Apostolic Nunciature of Port-au-Prince.

The "Hector Riode" Brigade's document stressed: "We will not hesitate one moment in jeopardizing the security of Pope John Paul II during his visit to Haiti (on 20 March 1983) should the high pontiff shirk his duty as head of the Catholic Church and place himself at services of the Duvalier family now ruling Haiti."

However, the [Haitian] Government has fully guaranteed the security of the head of the Catholic Church during his 16-hour visit to Haiti.

More on Threat

PA272048 Paris AFP in Spanish 2255 GMT 26 Jan 83

[Text] Port-au-Prince, 26 Jan (AFP) -- It has been reported that according to a threatening note received today at the Apostolic Nunciature in Port-au-Prince the life of Pope John Paul II would be in serious danger in Haiti.

A communique signed by the Hector Riode Terrorist Brigade [Brigada Terrorista Hector Riode] was delivered to the Apostolic Nunciature here, and a copy was delivered to the local AFP correspondent.

The communique from the brigade, which bears the name of a nationalist fighter who was killed in an armed clash with the police in 1963, says that "we will not hesitate one instant to endanger the security of Pope John Paul II during his upcoming visit to Haiti if the pontiff strays from his duties as head of the Catholic Church and places himself at the service of the Duvalier family, which rules Haiti."

More From Group

FL271325 Bridgetown CANA in English 1231 GMT 27 Jan 83

[Text] Port-au-Prince, Jan 27, CANA-REUTER -- An anti-government group has urged Pope John Paul not to meet President-for-Life Jean-Claude Duvalier during his scheduled visit to Haiti in March.

The Miami-based Hector Riode group, blamed by the government for a new year bomb explosion near President Duvalier's palace which killed three people, said in a letter the pope should not "enter into a pact with the devil."

Copies of the letter dated, January 21 and addressed to the Roman Catholic hierarchy here, were circulated to news media representatives.

In the letter, the Hector Riode group pledged to guarantee Pope John Paul's security during his stay in Haiti, one of eight Central American and Caribbean countries that the pope plans to visit in early March.

Meanwhile spokesmen of the Mexican and Venezuelan Embassies here yesterday denied reports that the leader of the tiny opposition Christian Democratic Party and his daughter Marie-France, were under diplomatic protection.

According to the unconfirmed reports, party head Sylvio Claude sought asylum at the Mexican Embassy while his daughter was at the Venezuelan Embassy.

Claude, a prominent opponent of President Duvalier, escaped from house arrest two weeks ago and has not been heard from since.